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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Thirty-ninth Meeting  
Montreal, 2-4 April 2003

**REPORT OF THE 28<sup>TH</sup> MEETING OF THE  
SUB-COMMITTEE ON PROJECT REVIEW**

Introduction

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol held its 28<sup>th</sup> Meeting in Montreal, on 31 March and 1 April 2003.
2. The meeting was attended by representatives of Bolivia, Burundi, France (Chair), India, Japan, Saint Lucia and the United States of America.
3. The meeting was attended by representatives of the implementing agencies as well as of the Ozone Secretariat.
4. The meeting was also attended by the representatives of Austria and El Salvador as observers.
5. The meeting was also attended by the representative of the Environmental Investigation Agency as an observer.

**AGENDA ITEM 1: OPENING OF THE MEETING**

6. The Chair of the Sub-Committee, Mr. Mustapha Kleiche (France), opened the meeting at 10:00 a.m. on Monday, 31 March 2003, and welcomed the participants.

## **AGENDA ITEM 2: ADOPTION OF THE AGENDA**

7. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/28/1:

1. Opening of the meeting
2. Adoption of the agenda
3. Introductory remarks
4. Organization of work
5. Overview of issues identified during project review
6. Bilateral cooperation
7. Work programmes:
  - (a) 2003 UNEP work programme amendments;
  - (b) 2003 work programme of UNDP;
  - (c) 2003 work programme of UNIDO;
  - (d) 2003 work programme of the World Bank;
8. Investment projects
9. Status report on progress in the implementation of approved methyl bromide projects
10. Policy paper:

Liquid carbon dioxide (LCD) technology and guidelines for LCD projects
11. Other matters
12. Adoption of the report
13. Closure of the meeting

## **AGENDA ITEM 3: INTRODUCTORY REMARKS**

8. The Deputy Chief Officer on behalf of the Chief Officer welcomed the participants, saying that this was the first meeting of the first year in which the presentation of projects and

activities to the Sub-Committee on Project Review was to be guided by the Executive Committee's strategic objective to facilitate compliance with the 2005 and 2007 control measures of the Montreal Protocol. The need to address the phase-out identified country by country had been the subject of extensive analysis and consultation between the Secretariat and the implementing agencies and was intended to form the basis for the 2003 work programmes of the implementing agencies. Differences would be evident between the 2003 work programmes and those of the past, reflecting the transition from the project-by-project approach to sectoral and national approaches.

9. He indicated that the total value of projects and activities received, including sectoral strategies and plans for submission to the 39<sup>th</sup> Meeting, was over US \$71 million. The Fund Secretariat's review of proposals for the funding of projects and activities had resulted in a recommendation for blanket approvals of nine investment projects, as well as other activities, in the amount of about US \$6 million. Seven investment projects and other activities with a total value of some US \$15 million had been withdrawn or deferred. Eleven investment projects and sector plans were submitted for individual consideration with a requested total value of some US \$46 million. In the case of nine of them, agreement had already been reached between the Secretariat and the implementing and bilateral agencies on the eligible incremental costs.

10. He reported that the funds available for commitment from the Multilateral Fund currently stood at US \$53.7 million, sufficient to fund all of the projects and activities recommended for approval at the current meeting.

#### **AGENDA ITEM 4: ORGANIZATION OF WORK**

11. Following the suggestion of the Chair, the Sub-Committee decided to organize its work in accordance with the agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/28/1 and the provisional annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/28/1/Add.1/Rev.1.

#### **AGENDA ITEM 5: OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW**

##### **(a) Bilateral funding for UNEP's CAP activities**

12. The Chair drew the attention of the Sub-Committee to paragraphs 4 and 5 of the overview paper (UNEP/OzL.Pro/ExCom/39/20 and Corr.1). He explained that UNEP had proposed funding for an ozone officers network for nine Eastern European countries and one Central Asian country. Three bilateral donors, the Czech Republic, Hungary and the Slovak Republic, also proposed to contribute to the support of the network through use of their 20 per cent bilateral allowance. UNEP was requesting the funding for 2003 as a stand-alone activity, but had indicated that for future years it proposed to seek augmentation of its Compliance Assistance Programme (CAP) funding to enable the network to be maintained.

13. The Secretariat had indicated that there were no impediments arising from Fund rules to the involvement of bilateral agencies in the funding of a CAP activity. However, it would deviate from established practice whereby the bilateral donor was directly responsible to the Executive Committee for the implementation of the activity and for financial reporting on it.

14. Following a discussion and noting that UNEP's network proposal had been recommended for approval in 2003 as a stand-alone activity (under agenda item 7 (a)), the Sub-Committee did not pursue further the policy issue of bilateral funding for UNEP's CAP activities.

(b) Agency responsibilities in RMP preparation and implementation

15. The Chair drew the attention of the Sub-Committee to paragraphs 6 to 10 of the overview paper (UNEP/OzL.Pro/ExCom/39/20 and Corr.1). UNDP had requested project preparation funding for the investment components of refrigerant management plans (RMPs) or RMP updates for which project preparation funding had already been approved for UNEP. He pointed out that such funding was not fully consistent with the guidelines in Decision 31/48, since they had set a limit on project preparation funding. The guidelines also set out, in substantial detail, the requirements for comprehensive and integrated project preparation activities, which would not seem to be met when investment and non-investment sub-projects were prepared and treated as separate entities, as appeared to be the situation in the present case. It appeared that the fragmentation of RMP preparation might also persist through the implementation phase.

16. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) 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) 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.

## **AGENDA ITEM 6: BILATERAL COOPERATION**

17. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/21 and Corr.1 on bilateral cooperation. A total of 16 requests for bilateral cooperation, amounting to just over US \$4.4 million, had been submitted by the Governments of Canada, the Czech Republic, Germany, Hungary, the Slovak Republic and Sweden.

18. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for bilateral cooperation contained in document UNEP/OzL.Pro/ExCom/39/21 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Regional network for 10 Article 5 countries in Eastern Europe/Central Asia (Czech Republic, Hungary and Slovak Republic) (UNEP/OzL.Pro/ExCom/39/21)

19. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/21. A proposed regional network for 10 Article 5 countries in Eastern Europe and Central Asia would be supported in part through bilateral requests from the Czech Republic, Hungary and the Slovak Republic.

20. Following a discussion and noting that UNEP's network proposal had been recommended for approval in 2003 as a stand-alone activity (under agenda item 7 (a)), the Sub-Committee recommended that the Executive Committee approve the bilateral requests for the Czech Republic, Hungary and the Slovak Republic at the level of funding indicated in Annex I to the present report, on the understanding that UNEP would assume full responsibility for reporting on expenditure and implementation of the project.

Islamic Republic of Iran: Preparation of a national CFC phase-out plan (Germany) (UNEP/OzL.Pro/ExCom/39/21 and Corr.1)

21. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report on the understanding that Germany would cooperate fully with other bilateral and implementing agencies involved in the implementation of the phase-out plan.

Kenya: Conversion of TCA based cleaning process to non-ODS alternatives at the Kenya Power and Lighting Company (Germany) (UNEP/OzL.Pro/ExCom/39/34 and Add.1)

22. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/34 and Add.1. He indicated that there were no outstanding cost or eligibility issues, and that clarification had been provided by Kenya regarding its revised consumption figure.

23. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report.

Papua New Guinea: Terminal phase-out management plan for ODS (1<sup>st</sup> phase) (Germany) (UNEP/OzL.Pro/ExCom/39/36)

24. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/36. He indicated that the Government of Papua New Guinea had submitted a terminal ODS phase-out management plan to achieve a complete phase out of CFCs by the end of 2008. Papua New Guinea currently being in non-compliance with Montreal

Protocol control measures, the plan was intended to enable the country to return to compliance in due course. The high level of cost proposed, relative to activities approved for other low-volume-consuming countries, was one of the major issues. The Secretariat had suggested that delegates might consider approving a more modest proposal to address only the level of phase-out required to enable Papua New Guinea to meet its 2005 and 2007 Montreal Protocol obligations. However, the Chair indicated that Germany and the Government of Papua New Guinea still wished to proceed with a total phase-out plan at the current meeting.

25. Following a discussion and noting that funding for the second tranche of the project would be requested after 2005, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle US \$700,000 for a terminal phase-out management plan for ODS in Papua New Guinea in accordance with the agreement between the Government of Papua New Guinea and the Executive Committee contained in Annex II to the present report and on the understanding that the approval is without prejudice to the Montreal Protocol's mechanism dealing with non-compliance;
- (b) Approve the first tranche of the project at the level of funding indicated in Annex I to the present report.

Croatia: Terminal phase-out management plan for CFCs (first tranche) (Sweden)  
(UNEP/OzL.Pro/ExCom/39/31)

26. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/31. He pointed out that the Government of Croatia had submitted a CFC phase-out management plan to achieve a complete phase-out of CFCs by 2006. Funding had been provided at the 36<sup>th</sup> Meeting to prepare an RMP update for Croatia, but the RMP update had instead been replaced by a proposed national phase-out plan. The Secretariat indicated that funding of total phase-out was not included in the 2003-2005 model rolling phase-out plan of the Multilateral Fund.

27. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the bilateral component of the project at the level of funding indicated in Annex I to the present report and in accordance with the agreement between the Government of Croatia and the Executive Committee contained in Annex III to the present report.

Asia and Pacific Region: Preventing illegal trade of ODS in the South Asia Region  
(Sweden) (UNEP/OzL.Pro/ExCom/39/21 and Corr.1)

28. The Chair drew the attention of the Sub-Committee to paragraphs 35 to 46 of the document UNEP/OzL.Pro/ExCom/39/21 and Corr.1. He indicated that Sweden's consultation with UNEP requested in Decision 38/19 had been undertaken and the project had been revised accordingly to incorporate the lessons learned from the first project.

29. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above activity at the level of funding indicated in Annex I to the present report.

30. At the conclusion of its discussions on the agenda item, the Sub-Committee recommended that the Executive Committee request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$329,960 against the balance of Canada's bilateral contributions for 2003;
- (b) US \$67,800 against the balance of the Czech Republic's bilateral contributions for 2003;
- (c) US \$2,969,479 against the balance of Germany's bilateral contributions for 2003;
- (d) US \$45,700 against the balance of Hungary's bilateral contributions for 2003;
- (e) US \$16,950 against the balance of the Slovak Republic's bilateral contributions for 2003;
- (f) US \$226,000 against the balance of Sweden's bilateral contributions for 2002 and US \$49,450 against the balance of Sweden's bilateral contributions for 2003.

## **AGENDA ITEM 7: WORK PROGRAMMES**

### **(a) 2003 UNEP work programme amendments**

31. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/22 and Corr.1, containing the 2003 work programme amendments of UNEP.

32. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNEP's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/39/22 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Comoros (phase 3): Renewal of institutional strengthening  
Congo (phase 3): Renewal of institutional strengthening  
Dominican Republic (phase 3): Renewal of institutional strengthening  
Georgia (phase 3): Renewal of institutional strengthening  
Guinea-Bissau: Institutional strengthening (first year)  
Nicaragua (phase 3): Renewal of institutional strengthening  
Paraguay (phase 3): Renewal of institutional strengthening  
Samoa (phase 2): Renewal of institutional strengthening

33. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the governments concerned its observations indicated in Annex IV to the present report.

Bahamas (phase 2): Renewal of institutional strengthening

Ethiopia (phase 3): Renewal of institutional strengthening

34. The Chair drew the attention of the Sub-Committee to paragraphs 12 to 14 of document UNEP/OzL.Pro/ExCom/39/22. He pointed out that Bahamas and Ethiopia were in non-compliance with the freeze of their CFC consumption in the control period July 2000 to June 2001. Consequently, the requests of the two countries for renewal of their institutional strengthening projects had been submitted for individual consideration. One representative expressed concern that countries which had received technical and financial assistance from the Multilateral Fund were in a situation of non-compliance. She urged the implementing agencies to quickly identify the causes of the non-compliance and to assist the countries in taking appropriate measures to avert these situations.

35. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above projects, for one year, at the level of funding indicated in Annex I to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance;
- (b) Express to the Governments concerned its observations contained in Annex IV to the present report;
- (c) Request representatives of the Multilateral Fund and Ozone Secretariats to meet representatives of Ethiopia and the Bahamas during the upcoming network meetings to express serious concern at their non-compliance with the freeze in CFC consumption and to discuss the countries' proposals to return to compliance as soon as possible;
- (d) Stipulate that Bahamas could submit a request for funding for the second year once the agreement between the Government of the Bahamas and the World Bank for the terminal phase-out plan approved by the Executive Committee at its 35<sup>th</sup> Meeting had been signed and the project was being implemented.

Regional network for 10 article 5 countries in Eastern Europe/Central Asia (Czech Republic, Hungary, and Slovak Republic jointly with UNEP)  
(UNEP/OzL.Pro/ExCom/39/22)

36. The Chair drew the attention of the Sub-Committee to paragraphs 15 to 21 of document UNEP/OzL.Pro/ExCom/39/22. He pointed out that the bilateral components of the project had been considered under agenda items 5 and 6. The issues were whether the proposal should be supported, and if so whether it should be funded as a separate activity or from UNEP's CAP.

37. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve funding for UNEP of US \$52,920 to support the network, as a stand-alone project, for the last six months of the current year;



- (b) Request UNEP to submit to the 41<sup>st</sup> Meeting of the Executive Committee a revised budget, based on experience, with a view towards the possible incorporation of the project within a rationalized CAP for the year 2004;
- (c) Also to request UNEP to assume full responsibility for reporting on expenditure and implementation of the project.

Produce OzonAction Newsletter in the Russian language

Translate 4 refrigeration/customs training modules into the Russian language

Reprinting / updating existing publications (2003)

38. The Chair drew the attention of the Sub-Committee to paragraphs 22 to 26 of document UNEP/OzL.Pro/ExCom/39/22. UNEP had requested additional funding for these activities, while the Secretariat had suggested that consideration should be given to their being funded through re-prioritization of existing CAP funding.

39. The representative of Japan pointed out that the status of the United Nations official language does not automatically justify the need for translation in that language. This kind of project should be considered on a case-by-case basis. For instance, when projects to transfer Japan's ODS phase-out experience and technology to Article 5 countries are considered, the need for translation of materials written in Japanese into other languages should also be provided for.

40. Following a discussion, the Sub-Committee recommended that the Executive Committee approve these three activities as a group to be funded at 50 per cent of the level of funding requested, as indicated in Annex I to the present report, on the understanding that the remaining 50 per cent of funding should be provided from reallocation of funding approved under the CAP.

**(b) 2003 work programme of UNDP**

41. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/23, containing the 2003 work programme of UNDP.

42. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's 2003 work programme, as contained in document UNEP/OzL.Pro/ExCom/39/23, with the amendments below, at the level of funding indicated in Annex I to the present report.

Cuba: Project preparation: MDI sector

43. The Chair drew the attention of the Sub-Committee to paragraphs 2 and 3 of document UNEP/OzL.Pro/ExCom/39/23. UNDP had requested an additional US \$20,000 to complete preparation of a transitional strategy and investment project to phase out CFCs in metered dose inhalers in Cuba.

44. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the above project at the level of funding indicated in Annex I to the present report;
  - (b) Request the Chair of the Executive Committee and the Fund Secretariat to continue to support the efforts of the implementing agency in locating the technology that needed to be transferred to further development of the investment project to phase out CFCs in metered dose inhalers in Cuba.

Cambodia: Project preparation: formulation of the investment components of the RMP  
Congo, DR: Project preparation: formulation of the investment components of the RMP  
Mauritania: Project preparation: formulation of the investment components of the RMP  
Rwanda: Project preparation: formulation of the investment components of the RMP  
Sao Tome and Principe: Project preparation: formulation of the investment components of the RMP

45. The Chair drew the attention of the Sub-Committee to paragraphs 6 to 11 of document UNEP/OzL.Pro/ExCom/39/23, indicating that UNDP was seeking funding for the formulation of the investment components of the RMP projects for Cambodia, Democratic Republic of Congo, Mauritania, Rwanda, and Sao Tome and Principe. The Secretariat recommended approval of the activities but invited delegates to consider whether UNEP should be invited to return equivalent funding, so that the funding ceiling for these activities was not exceeded.

46. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project for Rwanda at the level of funding indicated in Annex I to the present report and the other projects at 75 per cent of the level of funding requested, as indicated in Annex I to the present report.

Sri Lanka: Formulation of the national phase-out plan

47. The Chair drew the attention of the Sub-Committee to paragraphs 12 to 17 of document UNEP/OzL.Pro/ExCom/39/23. He indicated that under the RMP already approved, Sri Lanka had undertaken to meet the 2005 and 2007 phase-out targets without further assistance from the Fund. On this basis, the Secretariat was unable to support the project preparation request.

48. Following a discussion, the Sub-Committee recommended that the Executive Committee defer the above project.

49. The representative of Japan requested that the following statement be included in the report of the meeting:

"Japan has been participating in regional network meetings in the Asian region since 2000 and has been working through such forums and bilateral projects to help implement the strategic planning of the Multilateral Fund at regional and country levels. The first practical attempt was a bilateral project in Sri Lanka in cooperation with UNEP. The

next project targeting the Islamic Republic of Iran and Mongolia was approved at the 38<sup>th</sup> Executive Committee and has also started.

"The Sri Lankan National Compliance Action Plan has been compiled by the Sri Lankan Government as a result of country consultation meetings organized by Japan in cooperation with UNEP. The Government of Sri Lanka requested the Multilateral Fund Secretariat to submit the Sri Lankan National Compliance Action Plan to the Executive Committee Meeting so that the Executive Committee can take note of the completion of the plan and the Sri Lankan Government's intention to submit a funding request through one of the relevant implementing agencies to the 40<sup>th</sup> Executive Committee Meeting.

"The Secretariat, is, however, of the view that the plan itself should also be submitted through one of the implementing agencies, and not through the Government of an Article 5 country. The Japanese delegation seeks clarification on this issue, because in its view, it is more appropriate for a Government of an Article 5 country to submit the plan in view of the growing importance of country-driven approaches.

"For example the Executive Committee recognized at its 35<sup>th</sup> Meeting that "the responsibility to update the country programme should be that of the governments of the Article 5 countries" and that "While implementing agencies will continue to be requested by governments to provide assistance, it should be the governments who are clearly in charge of the process of developing the update", (UNEP/OzL.Pro/ExCom/35/67, para. 123). That notwithstanding Japan is ready to re-submit the project for the Government of Sri Lanka if it is deemed necessary to do so.

"As regards the intended funding request for Sri Lanka, the Secretariat pointed out that the Sri Lankan Government had agreed that, with the exception of the post-2007 phase, no further funding in the refrigeration sector would be requested. However, the validity of that agreement or the condition for the approval of the RMP needed to be discussed in light of the fact that the agreement on the condition governing the approval of the RMP was made in 2000, prior to the 35<sup>th</sup> Executive Committee Meeting, at which the new method of the eligible funding level for CFC phase-out was agreed in Decision 35/57.

"In addition, it is our understanding that for a country like Sri Lanka which is strongly committed to achieving early phase-out of ODSs, it is important to sustain the momentum for the movement. (For example, the RMP revision envisaged for the post-2007 phase could be considered sooner for a country aiming to phase out CFCs before 2007). At the same time, as stated in the National Compliance Action Plan, Sri Lanka is now facing a unique situation due to the opening-up of the Northeast provinces which had been closed for nearly 20 years. A ceasefire between the Government of Sri Lanka and the region came into effect in February 2002 and has resulted in the need for additional measures or the strengthening of the current efforts for ODS phase-out. This is further reason why Japan supports consideration of the Sri Lankan National Compliance Action Plan and the related funding request.

"It is also to be noted that the National Compliance Action Plan is not limited to CFC phase-out until 2007; it covers all the ODSs including CTC up to 2010. Japan is

currently working with Sri Lanka, UNEP and UNDP on the funding request based upon the National Compliance Plan to be submitted for consideration at the 40<sup>th</sup> Executive Committee Meeting. It is the intention of the Japanese Government to continue to provide support as a bilateral implementing agency in cooperation with UNEP and other implementing agencies as appropriate.

"The Japanese delegation would also like to inform the Committee that it cooperated with Sri Lanka within a framework of a pilot project on assistance for the implementation of strategic planning to be promoted in the Asia Pacific Region and assures the Committee that the Japanese Government would apply its successful experience to benefit other Article 5 countries."

Zimbabwe: Update of formulated methyl bromide phase-out programme

50. The Chair drew the attention of the Sub-Committee to paragraphs 18 to 21 of document UNEP/OzL.Pro/ExCom/39/23. He noted that the Secretariat had requested guidance on when the deferred methyl bromide phase-out investment project for Zimbabwe could be re-submitted, taking into account that no additional assistance was needed for Zimbabwe to meet the 2005 methyl bromide control measure.

51. Following a discussion and noting that no additional assistance was needed for Zimbabwe to meet the 2005 methyl bromide control measure, the Sub-Committee recommended that the Executive Committee:

- (a) Defer the project preparation request;
- (b) Agree that the project proposal could be reconsidered at or after the 45<sup>th</sup> Meeting.

**(c) 2003 work programme of UNIDO**

52. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/24, containing the 2003 work programme of UNIDO.

53. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNIDO's 2003 work programme, as contained in document UNEP/OzL.Pro/ExCom/39/24, with the amendments below, at the level of funding indicated in Annex I to the present report.

Côte d'Ivoire: Preparation of a fumigant phase-out plan

54. Noting advice from UNIDO that it had received a letter from the Government of Côte d'Ivoire indicating that the documents related to the ratification of the Copenhagen Amendment by the Government of Côte d'Ivoire would be deposited with the United Nations in New York in the near future, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project proposal at the level of funding of US \$10,000;

- (b) Request UNIDO not to initiate development of any activity in Côte d'Ivoire until it had been able to acquire information about the current level of methyl bromide consumption in the entire country.

India: Preparation of an investment project in the fumigant sector

55. Noting that the investment project would address a consumption of at least 25 ODP tonnes of methyl bromide, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report.

Oman: Preparation of a phase-out plan in the fumigant sector

56. The project was withdrawn by UNIDO on the understanding that a technical assistance programme could be submitted for consideration by the Executive Committee in 2003 addressing the total consumption of methyl bromide in Oman (less than 3 ODP tonnes).

57. The Sub-Committee further recommended that the Executive Committee request implementing agencies and bilateral agencies in future to submit technical assistance programmes for the complete phase-out of methyl bromide in countries with a very low methyl bromide consumption rather than requests for preparation of an investment project.

Iran: Preparation of investment projects in the solvent sector (CTC/TCA)

Korea, DPR: Preparation of investment projects in the solvents, process agents and fumigant sector (CTC)

Korea, DPR: Preparation of investment projects in the refrigeration sector (CFC)

Mexico: Preparation of investment projects in the solvent sector (TCA)

Mexico: Preparation of a phase-out plan in the fumigant sector (methyl bromide)

Pakistan: Preparation of investment projects in the solvents sector (CTC/TCA)

Romania: Preparation of investment projects in the solvent sector

Sudan: Preparation of investment projects in the domestic/commercial refrigeration sector

58. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) Wherever possible, UNIDO would endeavour to prepare sectoral phase-out plans rather than stand-alone investment project proposals;
- (b) In the event that additional funding might be needed to complete preparation of the sector plans, UNIDO would submit an additional request for consideration by the Executive Committee.

**(d) 2003 work programme of the World Bank**

59. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the World Bank's 2003 work programme, as contained in document UNEP/OzL.Pro/ExCom/39/25, at the level of funding indicated in Annex I to the present report.

Tunisia (phase 3): Renewal of the institutional strengthening

60. The Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report and express to the Government concerned its observations indicated in Annex IV to the present report.

**AGENDA ITEM 8: INVESTMENT PROJECTS**

**(a) Projects recommended for blanket approval**

61. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/28/2 and Corr.1.

62. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval contained in document UNEP/OzL.Pro/ExCom/SCPR/28/2 and Corr.1, at the level of funding indicated in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable.

**(b) Projects for individual consideration**

Albania: National ozone-depleting substances phase-out plan (UNEP and UNIDO)  
(UNEP/OzL.Pro/ExCom/39/26 and Corr.1 & Add.1/Rev.1)

63. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/26 and Corr.1 & Add.1/Rev.1. He pointed out that although all cost issues were resolved, Albania was presently not in compliance with the Montreal Protocol control measures for CFCs and, under the timetable proposed in the phase-out plan, would not return to compliance until 2006. He drew attention to the advice from the Secretariat that Albania had submitted the plan of action for the consideration of the Implementation Committee at its forthcoming meeting.

64. Following the discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report with the understanding that this approval was without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance and in accordance with the agreement between the Government of Albania and the Executive Committee contained in Annex V to the present report.

Bosnia and Herzegovina: Phase-out of CFC-11 by conversion to n-pentane in the manufacture of rigid foam products for insulating purposes at Stirokart Co. (UNIDO) (UNEP/OzL.Pro/ExCom/39/29 and Corr.1)

Bosnia and Herzegovina: Replacement of CFC-12 with HFC-134a, CFC-11 with HCFC-141b, and TCA with non-cleaning process in the manufacture of commercial refrigeration equipment, panels, and heat exchangers at three enterprises (umbrella project) (UNIDO) (UNEP/OzL.Pro/ExCom/39/29 and Corr.1)

65. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/29 and Corr.1. He pointed out that Bosnia and Herzegovina was not in compliance with the Montreal Protocol. The relevant issues appeared in a note from the Secretariat which was included in document UNEP/OzL.Pro/ExCom/39/29. To assist the country to quickly reduce its consumption, UNIDO was prepared to implement the projects within 15 months, instead of the more usual duration of around 30 months.

66. Following the discussion, and while noting that approval of the projects did not mean approval of the country's action plan, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project proposals, at the level of funding indicated in Annex I to the present report on the understanding that the approval is without prejudice to the Montreal Protocol's mechanism dealing with non-compliance;
- (b) Request the Government of Bosnia and Herzegovina and UNIDO to make every effort to expedite implementation of the projects and ensure that they were completed not later than 15 months from the date of their approval in order to assist the Government of Bosnia and Herzegovina to expedite its compliance with the CFC reduction measures under the Montreal Protocol.

China: Tobacco sector plan: 2003 annual work programme (UNIDO) (UNEP/OzL.Pro/ExCom/39/30)

67. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 18 in the document UNEP/OzL.Pro/ExCom/39/30. He pointed out that the request was for approval of the 2003 annual work programme for the tobacco sector, and funding of US \$2 million plus support costs for its implementation, submitted by UNIDO. In response to a query from one representative, UNIDO confirmed that the dismantling of equipment in industries not eligible for funding would not be financed through the project.

68. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the 2003 work programme of the tobacco sector plan for CFC-11 phase-out in China;

- (b) Allocate US \$2 million for its implementation, and US \$150,000 as agency support costs calculated on the basis of the new administrative regime adopted by the Executive Committee at its 38<sup>th</sup> Meeting.

China: Sector plan for phase-out of ODS in chemical process agent applications and carbon tetrachloride production: 2003 annual programme (World Bank)  
(UNEP/OzL.Pro/ExCom/39/30)

69. The Chair drew the attention of the Sub-Committee to paragraphs 19 to 36 of document UNEP/OzL.Pro/ExCom/39/30. He pointed out that consistent with the project's initial timetable, the World Bank had requested approval of the 2003 annual programme for the project and funding of US \$20 million plus US \$1.5 million in support costs for its implementation. The Chair mentioned that initial funding of US \$2 million had been approved for this project at the 38<sup>th</sup> Meeting, on the basis that at the 39<sup>th</sup> Meeting the Executive Committee would consider the distribution of the annual funding tranches for the project. The Secretariat had expressed a number of concerns about the absence of detail in the project and the annual plan necessary to ensure transparency and accountability in the use of funds and the achievement of phase-out.

70. The representative of France expressed concern at the recommendation by the Secretariat for approval of funding in light of the shortcomings noted. However, given the critical situation of China vis-à-vis the consumption and production of CTC and while noting with regret these shortcomings, France would not object to the approval.

71. Following the discussion and noting the need for implementation of the project to proceed at the earliest opportunity in order to facilitate China's compliance with the 2005 control measures for CTC, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the distribution of the annual funding tranches for the sector plan for phase-out of ODS in chemical process agent applications and carbon tetrachloride production in accordance with the agreement between the Government of China and the Executive Committee contained in Annex XIII of document UNEP/OzL.Pro/ExCom/38/70/Rev.1;
- (b) Approve the 2003 annual programme for CTC production and consumption at the requested funding level of US \$20 million and US \$1.5 million as support costs for the World Bank;
- (c) Request the Secretariat and the World Bank, together with the Government of China, to propose to the 40<sup>th</sup> Meeting of the Executive Committee a system for monitoring the implementation of the Agreement, including the necessary information about planned targets and activities to:
  - (i) Establish clearly the individual actions to be carried out during the year and indicate the actual use to which the requested funding would be put;
  - (ii) Provide a high level of confidence that the actions would enable the required targets to be met;



- (iii) Enable the consumption targets, the progress with nominated activities, and the expenditure of funds thereon to be monitored/verified, as appropriate.

China: CFC production sector: 2003 annual programme (World Bank)  
(UNEP/OzL.Pro/ExCom/39/30)

72. The Chair drew the attention of the Sub-Committee to paragraphs 37 to 47 of document UNEP/OzL.Pro/ExCom/39/30. He pointed out that while the content of the 2003 annual programme had been approved at the 38<sup>th</sup> Meeting, funding had been withheld until a satisfactory verification report was received on implementation of the 2002 annual programme. The Secretariat had indicated that results of the evaluation were presented in accordance with the approved formats, and were supported by adequate documentation to enable tracking and validation of the CFC production, and the consumption of the feedstock.

73. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve US \$13 million for the implementation of the 2003 annual programme of the China CFC production sector phase-out programme and US \$975,000 as support costs for the World Bank;
- (b) Note the undertaking in the Agreement that funding could be used in a flexible manner, and on that basis, acknowledge China's request, through the World Bank, to use a portion of the funding for the 2003 annual programme of the CFC production sector, to establish a national compliance centre to assist China to meet its Montreal Protocol obligations.

Croatia: Terminal phase-out management plan for CFCs (first tranche) (UNIDO)  
(UNEP/OzL.Pro/ExCom/39/31)

74. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/31. He pointed that the bilateral component of the project had been discussed under Agenda Item 6.

75. Following a discussion, the Sub-Committee recommended that the Executive Committee approve Component II of the project proposal at the level of funding indicated in Annex I to the present report in accordance with the agreement between the Government of Croatia and the Executive Committee, contained in Annex III to the present report.

76. The Sub-Committee further recommended that the Executive Committee decide not to consider project proposals for phase-out that is not included in the 2003-2005 phase-out plan of the Multilateral Fund until the availability of funding for accelerated phase-out has been clarified and appropriate criteria for approval have been adopted.

India: CFC production sector gradual phase-out: 2003 annual programme (World Bank)  
(UNEP/OzL.Pro/ExCom/39/33)

77. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/33. He pointed out that the request was to approve the 2003 annual programme together with funding of US \$6 million, plus support costs at 7.5 per cent. On balance, the Secretariat recommended that the project be approved. However the Secretariat also suggested some conditions regarding more timely submission of verification reports and regarding the provision of more financial details, as requested previously by the Executive Committee but not yet fully complied with.

78. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the 2003 annual programme for the Indian CFC production sector gradual phase-out plan at the requested funding level of US \$6 million and the associated support costs of US \$450,000 for the World Bank;
- (b) Request the World Bank to submit future verification reports in time to facilitate the review by the Secretariat;
- (c) Request the World Bank to provide additional information on the financial oversight over the technical assistance programme in accordance with Decision 36/48.

**AGENDA ITEM 9: STATUS REPORT ON PROGRESS IN THE IMPLEMENTATION OF APPROVED METHYL BROMIDE PROJECTS**

79. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/37/Rev.1. He pointed out that UNDP and UNIDO had submitted progress reports on the implementation of methyl bromide phase-out projects in Argentina, Bolivia, Chile, Malawi and Morocco.

80. In regard to Morocco, the Chair referred to paragraphs 21 to 26 of document UNEP/OzL.Pro/ExCom/39/37/Rev.1. UNIDO had submitted a report on the progress of a project concerning production of strawberries, which appeared to be proceeding in a satisfactory manner. However, the Executive Committee had an agreement with the Government of Morocco covering a total of three projects in this sector, including that for strawberries. Under that agreement, Morocco had undertaken to reduce its methyl bromide consumption by a substantial amount by 2006. The Chair noted that according to official data reported to the Ozone Secretariat, the total consumption of methyl bromide in Morocco appeared to be already more than double the maximum level of consumption specified in the agreement. UNIDO sought advice as to whether and how it should proceed with implementation of both the strawberry project and the other two projects covered under the agreement.

81. During the discussion, in which concerns were expressed about the high level of consumption of methyl bromide in Morocco, the representative of UNIDO read out a letter that had recently been received from the Government of Morocco. As the letter appeared to indicate that Morocco was in compliance with its obligations under the agreement it had made with the Executive Committee, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the reports submitted by UNDP and UNIDO;
- (b) Request UNIDO to continue implementation of the projects in Morocco;
- (c) Request the Secretariat of the Multilateral Fund to send a letter to the Moroccan authorities seeking confirmation of compliance by Morocco with its obligations under the agreement.

## **AGENDA ITEM 10: POLICY PAPER**

### **(a) Liquid carbon dioxide (LCD) technology and guidelines for LCD projects**

82. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/39/38 and Corr.1. He pointed out to the Sub-Committee that implementation of LCD projects was proving to be problematical. The purpose of the study was to shed some light on these problems and to make some recommendations on how they might be overcome in current projects and avoided in any future ones. The Secretariat had invited the Sub-Committee to consider the findings of the study and to request the implementing agencies to use the findings as guidance in implementation of ongoing projects as well as in the development and implementation of future projects.

83. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note with appreciation of the report submitted by the Fund Secretariat;
- (b) 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 41<sup>st</sup> Meeting;
- (c) Not approve any future projects utilizing LCD technology pending consideration of the information referred to under sub-paragraph (b) above.

## **AGENDA ITEM 11: OTHER MATTERS**

84. No other matters were raised for discussion.

**AGENDA ITEM 12: ADOPTION OF THE REPORT**

85. The present report was adopted on 1 April 2003, on the basis of the draft report circulated as document UNEP/OzL.Pro/ExCom/SCPR/28/L.1.

**AGENDA ITEM 13: CLOSURE OF THE MEETING**

86. After the customary exchange of courtesies, the Chairman declared the meeting closed at 5:45 p.m. on Tuesday, 1 April 2003.

## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title   | Agency                   | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|---|--------------------------|-----------------|--------------------------|-----------------|-------------------------|
|   |                          |                 | Project                  | Support         |                         |
| <b>ALBANIA</b>  |                          |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>   |                          |                 |                          |                 |                         |
| <b>ODS phase out plan</b>   |                          |                 |                          |                 |                         |
| National ozone depleting substances phase-out plan: awareness workshop to prevent the introduction of methyl bromide<br>Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.   | UNIDO                    |                 | \$20,000                 | \$1,500         | \$21,500                |
| National ozone depleting substances phase-out plan: training of customs officers in monitoring of ODS<br>Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.  | UNEP                     |                 | \$35,700                 | \$4,641         | \$40,341                |
| National ozone depleting substances phase-out plan: training of trainers in good practices of refrigeration<br>Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.  | UNEP                     |                 | \$82,425                 | \$10,715        | \$93,140                |
| National ozone depleting substances phase-out plan: programme management and auditing<br>Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.  | UNIDO                    |                 | \$16,068                 | \$1,205         | \$17,273                |
| National ozone depleting substances phase-out plan: conversion of cleaning installations from carbon tetrachloride (CTC) to tetrachloroethylene (PER) at Energy Combinat Ltd., Elbasan  | UNIDO                    | 2.3             | \$45,000                 | \$3,375         | \$48,375 19.57          |
| National ozone depleting substances phase-out plan: refrigerant recovery and recycling network<br>The sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar. Also, the subproject is approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. | UNIDO                    | 21.0            | \$100,000                | \$7,500         | \$107,500 21.30         |
|   | <b>Total for Albania</b> | <b>23.3</b>     | <b>\$299,193</b>         | <b>\$28,936</b> | <b>\$328,129</b>        |
| <b>ALGERIA</b>  |                          |                 |                          |                 |                         |
| <b>REFRIGERATION</b>  |                          |                 |                          |                 |                         |
| <b>Refrigerant management plan</b>  |                          |                 |                          |                 |                         |
| Refrigerant management plan to phase out the use of ODS in refrigeration and air-conditioning sector (including training in good refrigerant management practices, training of customs officers, and national recovery and recycling):<br>Second tranche  | UNIDO                    | 45.0            | \$700,000                | \$52,500        | \$752,500               |
|   | <b>Total for Algeria</b> | <b>45.0</b>     | <b>\$700,000</b>         | <b>\$52,500</b> | <b>\$752,500</b>        |

## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title   | Agency  | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|---|---------|-----------------|--------------------------|-----------------|-------------------------|
|   |         |                 | Project                  | Support         |                         |
| <b>ANGOLA</b>   |         |                 |                          |                 |                         |
| <b>REFRIGERATION</b>  |         |                 |                          |                 |                         |
| <b>Refrigerant management plan</b>  |         |                 |                          |                 |                         |
| Implementation of the RMP: enforcement of regulations, training of customs officers, training of refrigeration service technicians, recovery and recycling, incentive programme for end-users, and public awareness   | Germany | 103.0           | \$700,000                | \$87,000        | \$787,000 7.00          |
| Approved on the understanding that the implementation of the customs training programme, the recovery and recycling network, the incentive programme for retrofit/drop-in for end-users and the commercial air conditioning sub-project would only commence once the legislation controlling CFC imports is in place. Also, approval of the RMP is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government.   |         |                 |                          |                 |                         |
| <b>Total for Angola</b>   |         | <b>103.0</b>    | <b>\$700,000</b>         | <b>\$87,000</b> | <b>\$787,000</b>        |
| <b>ANTIGUA AND BARBUDA</b>  |         |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Preparation of a national CFC phase-out plan  | IBRD    |                 | \$15,000                 | \$1,125         | \$16,125                |
| <b>Total for Antigua and Barbuda</b>  |         |                 | <b>\$15,000</b>          | <b>\$1,125</b>  | <b>\$16,125</b>         |
| <b>ARGENTINA</b>  |         |                 |                          |                 |                         |
| <b>AEROSOL</b>  |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Preparation of one investment project in the aerosol filling industry   | IBRD    |                 | \$10,000                 | \$750           | \$10,750                |
| <b>SEVERAL</b>  |         |                 |                          |                 |                         |
| <b>Country programme/country survey</b>   |         |                 |                          |                 |                         |
| Preparation of country programme update   | UNIDO   |                 | \$50,000                 | \$4,500         | \$54,500                |
| <b>Total for Argentina</b>  |         |                 | <b>\$60,000</b>          | <b>\$5,250</b>  | <b>\$65,250</b>         |
| <b>BAHAMAS</b>  |         |                 |                          |                 |                         |
| <b>SEVERAL</b>  |         |                 |                          |                 |                         |
| <b>Institutional strengthening</b>  |         |                 |                          |                 |                         |
| Extension of institutional strengthening project: phase 2 (one year)  | UNEP    |                 | \$21,666                 | \$0             | \$21,666                |
| Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance; representatives of the Multilateral Fund and Ozone Secretariats to meet representatives of Bahamas during the upcoming network meetings to express serious concern at their non-compliance with the freeze in CFC consumption and to discuss the countries' proposals to return to compliance as soon as possible; Bahamas could submit a request for funding for the second year once the agreement between the Government of the Bahamas and the World Bank for the terminal phase-out plan approved by the Executive Committee at its 35th Meeting had been signed and the project was being implemented. |         |                 |                          |                 |                         |

## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title  | Agency | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|--|--------|-----------------|--------------------------|-----------------|-------------------------|
|  |        |                 | Project                  | Support         |                         |
| <b>Total for Bahamas</b>   |        |                 | <b>\$21,666</b>          |                 | <b>\$21,666</b>         |
| <b>BANGLADESH</b>  |        |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>  |        |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                 |                         |
| Formulation of a national phase-out plan   | UNDP   |                 | \$40,000                 | \$3,000         | \$43,000                |
| <b>Total for Bangladesh</b>  |        |                 | <b>\$40,000</b>          | <b>\$3,000</b>  | <b>\$43,000</b>         |
| <b>BARBADOS</b>  |        |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |        |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                 |                         |
| Formulation of investment components of the RMP  | UNDP   |                 | \$15,000                 | \$1,125         | \$16,125                |
| <b>Total for Barbados</b>  |        |                 | <b>\$15,000</b>          | <b>\$1,125</b>  | <b>\$16,125</b>         |
| <b>BOLIVIA</b>   |        |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |        |                 |                          |                 |                         |
| <b>Refrigerant management plan</b>   |        |                 |                          |                 |                         |
| Implementation of the refrigerant management plan: recovery and recycling  | Canada |                 | \$292,000                | \$37,960        | \$329,960               |
| The sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar.  |        |                 |                          |                 |                         |
| <b>Total for Bolivia</b>   |        |                 | <b>\$292,000</b>         | <b>\$37,960</b> | <b>\$329,960</b>        |
| <b>BOSNIA AND HERZEGOVINA</b>  |        |                 |                          |                 |                         |
| <b>FOAM</b>  |        |                 |                          |                 |                         |
| <b>Rigid</b>   |        |                 |                          |                 |                         |
| Phase-out of CFC-11 by conversion to n-pentane in the manufacture of rigid foam products for insulating purposes at Stirokart Co.  | UNIDO  | 33.0            | \$364,650                | \$27,349        | \$391,999               |
| Approved on the understanding that the approval is without prejudice to the Montreal Protocol's mechanism dealing with non-compliance; and requested the Government and UNIDO to make every effort to expedite implementation of the projects and ensure that they were completed not later than 15 months from the date of their approval in order to assist the Government to expedite its compliance with the CFC reduction measures under the Montreal Protocol. |        |                 |                          |                 |                         |

## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title  | Agency  | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|--|---------|-----------------|--------------------------|-----------------|-------------------------|
|  |         |                 | Project                  | Support         |                         |
| <b>REFRIGERATION</b>   |         |                 |                          |                 |                         |
| <b>Commercial</b>  |         |                 |                          |                 |                         |
| Replacement of CFC-12 with HFC-134a, CFC-11 with HCFC-141b, and TCA with non-cleaning process in the manufacture of commercial refrigeration equipment, panels, and heat exchangers at three enterprises (Soko Paneli, Soko IPV and Kuca Leda)   | UNIDO   | 13.7            | \$175,283                | \$15,775        | \$191,058 12.82         |
| Approved on the understanding that the approval is without prejudice to the Montreal Protocol's mechanism dealing with non-compliance; and requested the Government and UNIDO to make every effort to expedite implementation of the projects and ensure that they were completed not later than 15 months from the date of their approval in order to assist the Government to expedite its compliance with the CFC reduction measures under the Montreal Protocol. |         |                 |                          |                 |                         |
| <b>Total for Bosnia and Herzegovina</b>  |         | <b>46.7</b>     | <b>\$539,933</b>         | <b>\$43,124</b> | <b>\$583,057</b>        |
| <b>BOTSWANA</b>  |         |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                 |                         |
| Project preparation for an RMP update  | Germany |                 | \$15,000                 | \$1,950         | \$16,950                |
| <b>Total for Botswana</b>  |         |                 | <b>\$15,000</b>          | <b>\$1,950</b>  | <b>\$16,950</b>         |
| <b>BRAZIL</b>  |         |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>  |         |                 |                          |                 |                         |
| <b>CFC phase out plan</b>  |         |                 |                          |                 |                         |
| Training of refrigeration mechanics in domestic and commercial refrigeration service sub-sectors (2nd instalment of the first tranche)   | Germany |                 | \$1,062,863              | \$95,658        | \$1,158,521             |
| <b>Total for Brazil</b>  |         |                 | <b>\$1,062,863</b>       | <b>\$95,658</b> | <b>\$1,158,521</b>      |
| <b>BRUNEI DARUSSALAM</b>   |         |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                 |                         |
| Formulation of the investment components of the refrigerant management plan  | UNDP    |                 | \$25,000                 | \$1,875         | \$26,875                |
| <b>Total for Brunei Darussalam</b>   |         |                 | <b>\$25,000</b>          | <b>\$1,875</b>  | <b>\$26,875</b>         |
| <b>CAMBODIA</b>  |         |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                 |                         |
| Formulation of the investment components of the refrigerant management plan  | UNDP    |                 | \$7,500                  | \$562           | \$8,062                 |
| <b>Total for Cambodia</b>  |         |                 | <b>\$7,500</b>           | <b>\$562</b>    | <b>\$8,062</b>          |
| <b>CHILE</b>   |         |                 |                          |                 |                         |
| <b>HALON</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                 |                         |
| Preparation of a national halon bank   | IBRD    |                 | \$40,000                 | \$3,000         | \$43,000                |



## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title   | Agency                   | ODP<br>(tonnes) | Funds recommended (US\$) |                    |                     | C.E.<br>Total (US\$/kg) |
|---|--------------------------|-----------------|--------------------------|--------------------|---------------------|-------------------------|
|   |                          |                 | Project                  | Support            | Total               |                         |
| <b>SOLVENT</b>  |                          |                 |                          |                    |                     |                         |
| <b>Preparation of project proposal</b>  |                          |                 |                          |                    |                     |                         |
| Formulation of solvent sectoral phase-out plan  | UNDP                     |                 | \$20,000                 | \$1,500            | \$21,500            |                         |
|   | <b>Total for Chile</b>   |                 | <b>\$60,000</b>          | <b>\$4,500</b>     | <b>\$64,500</b>     |                         |
| <b>CHINA</b>  |                          |                 |                          |                    |                     |                         |
| <b>OTHER</b>  |                          |                 |                          |                    |                     |                         |
| <b>Tobacco fluffing</b>   |                          |                 |                          |                    |                     |                         |
| Tobacco sector plan: 2003 annual work programme   | UNIDO                    | 180.0           | \$2,000,000              | \$150,000          | \$2,150,000         | 11.11                   |
| <b>PROCESS AGENT</b>  |                          |                 |                          |                    |                     |                         |
| <b>Process conversion</b>   |                          |                 |                          |                    |                     |                         |
| Sector plan for phase-out of ODS in chemical process agent applications and carbon tetrachloride production: 2003 annual programme  | IBRD                     | 2,638.0         | \$20,000,000             | \$1,500,000        | \$21,500,000        | 7.58                    |
| <p>The Secretariat and the World Bank, together with the Government of China, were requested to propose to the 40th Meeting of the Executive Committee a system for monitoring the implementation of the Agreement, including the necessary information about planned targets and activities to: (i) establish clearly the individual actions to be carried out during the year and indicate the actual use to which the requested funding would be put; (ii) provide a high level of confidence that the actions would enable the required targets to be met; (iii) enable the consumption targets, the progress with nominated activities, and the expenditure of funds thereon to be monitored/verified, as appropriate.</p> |                          |                 |                          |                    |                     |                         |
| <b>PRODUCTION</b>   |                          |                 |                          |                    |                     |                         |
| <b>CFC closure</b>  |                          |                 |                          |                    |                     |                         |
| CFC production sector: 2003 annual programme  | IBRD                     | 2,900.0         | \$13,000,000             | \$975,000          | \$13,975,000        | 4.48                    |
| <p>Noted the undertaking in the Agreement that funding could be used in a flexible manner, and on that basis, acknowledge China's request, through the World Bank, to use a portion of the funding for the 2003 annual programme of the CFC production sector, to establish a national compliance centre to assist China to meet its Montreal Protocol obligations.</p>   |                          |                 |                          |                    |                     |                         |
|   | <b>Total for China</b>   | <b>5,718.0</b>  | <b>\$35,000,000</b>      | <b>\$2,625,000</b> | <b>\$37,625,000</b> |                         |
| <b>COMOROS</b>  |                          |                 |                          |                    |                     |                         |
| <b>SEVERAL</b>  |                          |                 |                          |                    |                     |                         |
| <b>Institutional strengthening</b>  |                          |                 |                          |                    |                     |                         |
| Extension of institutional strengthening project: phase 3   | UNEP                     |                 | \$24,093                 | \$0                | \$24,093            |                         |
|   | <b>Total for Comoros</b> |                 | <b>\$24,093</b>          |                    | <b>\$24,093</b>     |                         |
| <b>CONGO</b>  |                          |                 |                          |                    |                     |                         |
| <b>SEVERAL</b>  |                          |                 |                          |                    |                     |                         |
| <b>Institutional strengthening</b>  |                          |                 |                          |                    |                     |                         |
| Extension of institutional strengthening project: phase 3   | UNEP                     |                 | \$54,531                 | \$0                | \$54,531            |                         |
|   | <b>Total for Congo</b>   |                 | <b>\$54,531</b>          |                    | <b>\$54,531</b>     |                         |

**List of projects and activities recommended for funding**

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| Project Title  | Agency  | ODP<br>(tonnes) | Funds recommended (US\$) |                  | C.E.<br>Total (US\$/kg) |
|--|---------|-----------------|--------------------------|------------------|-------------------------|
|  |         |                 | Project                  | Support          |                         |
| <b>CONGO, DR</b>   |         |                 |                          |                  |                         |
| <b>FOAM</b>  |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                  |                         |
| Formulation of terminal foam project   | UNDP    |                 | \$10,000                 | \$750            | \$10,750                |
| <b>REFRIGERATION</b>   |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                  |                         |
| Formulation of the investment components of the refrigerant management plan  | UNDP    |                 | \$7,500                  | \$562            | \$8,062                 |
| <b>Total for Congo, DR</b>   |         |                 | <b>\$17,500</b>          | <b>\$1,312</b>   | <b>\$18,812</b>         |
| <b>COTE D'IVOIRE</b>   |         |                 |                          |                  |                         |
| <b>FUMIGANT</b>  |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                  |                         |
| Preparation of a phase-out plan in the fumigant sector<br>UNIDO was requested not to initiate development of any activity until it had been able to acquire information about the current level of methyl bromide consumption in the entire country.   | UNIDO   |                 | \$10,000                 | \$750            | \$10,750                |
| <b>Total for Cote D'Ivoire</b>   |         |                 | <b>\$10,000</b>          | <b>\$750</b>     | <b>\$10,750</b>         |
| <b>CROATIA</b>   |         |                 |                          |                  |                         |
| <b>HALON</b>   |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                  |                         |
| Project preparation/technical assistance for the halon sector  | Germany |                 | \$16,500                 | \$2,145          | \$18,645                |
| <b>PHASE-OUT PLAN</b>  |         |                 |                          |                  |                         |
| <b>CFC phase out plan</b>  |         |                 |                          |                  |                         |
| Terminal phase-out management plan for CFCs (first tranche)<br>Approved in accordance with the agreement between the Government of Croatia and the Executive Committee.  | Sweden  |                 | \$46,000                 | \$3,450          | \$49,450                |
| Terminal phase-out management plan for CFCs (first tranche)<br>Approved in accordance with the agreement between the Government of Croatia and the Executive Committee.  | UNIDO   | 50.0            | \$184,000                | \$13,800         | \$197,800 3.85          |
| <b>Total for Croatia</b>   |         |                 | <b>50.0</b>              | <b>\$246,500</b> | <b>\$19,395</b>         |
| <b>CUBA</b>  |         |                 |                          |                  |                         |
| <b>AEROSOL</b>   |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>   |         |                 |                          |                  |                         |
| Project preparation in the MDI sector<br>The Chair of the Executive Committee and the Secretariat were requested to continue to support the efforts of the implementing agency in locating the technology that needed to be transferred to further development of the investment project to phase out CFCs in metered dose inhalers in Cuba. | UNDP    |                 | \$20,000                 | \$1,500          | \$21,500                |
| <b>Total for Cuba</b>  |         |                 | <b>\$20,000</b>          | <b>\$1,500</b>   | <b>\$21,500</b>         |

## List of projects and activities recommended for funding

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| Project Title   | Agency | ODP<br>(tonnes) | Funds recommended (US\$) |                | C.E.<br>Total (US\$/kg) |
|---|--------|-----------------|--------------------------|----------------|-------------------------|
|   |        |                 | Project                  | Support        |                         |
| <b>DOMINICAN REPUBLIC</b>   |        |                 |                          |                |                         |
| <b>SEVERAL</b>  |        |                 |                          |                |                         |
| <b>Institutional strengthening</b>  |        |                 |                          |                |                         |
| Extension of institutional strengthening project: phase 3   | UNEP   | 17.1            | \$134,333                | \$0            | \$134,333               |
| <b>Total for Dominican Republic</b>   |        | <b>17.1</b>     | <b>\$134,333</b>         |                | <b>\$134,333</b>        |
| <b>ETHIOPIA</b>   |        |                 |                          |                |                         |
| <b>SEVERAL</b>  |        |                 |                          |                |                         |
| <b>Institutional strengthening</b>  |        |                 |                          |                |                         |
| Extension of institutional strengthening project: phase 3<br>(one year)   | UNEP   |                 | \$26,216                 | \$0            | \$26,216                |
| Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance; representatives of the Multilateral Fund and Ozone Secretariats to meet representatives of Ethiopia during the upcoming network meetings to express serious concern at their non-compliance with the freeze in CFC consumption and to discuss the country's proposals to return to compliance as soon as possible. |        |                 |                          |                |                         |
| <b>Total for Ethiopia</b>   |        |                 | <b>\$26,216</b>          |                | <b>\$26,216</b>         |
| <b>GEORGIA</b>  |        |                 |                          |                |                         |
| <b>SEVERAL</b>  |        |                 |                          |                |                         |
| <b>Institutional strengthening</b>  |        |                 |                          |                |                         |
| Extension of institutional strengthening project: phase 3   | UNEP   |                 | \$60,667                 | \$0            | \$60,667                |
| <b>Total for Georgia</b>  |        |                 | <b>\$60,667</b>          |                | <b>\$60,667</b>         |
| <b>GUINEA</b>   |        |                 |                          |                |                         |
| <b>REFRIGERATION</b>  |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>  |        |                 |                          |                |                         |
| Preparation of a refrigerant management plan/country programme update   | UNEP   |                 | \$10,000                 | \$1,300        | \$11,300                |
| <b>Total for Guinea</b>   |        |                 | <b>\$10,000</b>          | <b>\$1,300</b> | <b>\$11,300</b>         |
| <b>GUINEA-BISSAU</b>  |        |                 |                          |                |                         |
| <b>REFRIGERATION</b>  |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>  |        |                 |                          |                |                         |
| Formulation of the investment components of the refrigerant management plan   | UNDP   |                 | \$25,000                 | \$1,875        | \$26,875                |
| <b>SEVERAL</b>  |        |                 |                          |                |                         |
| <b>Institutional strengthening</b>  |        |                 |                          |                |                         |
| Establishment of ozone unit   | UNEP   |                 | \$30,000                 | \$0            | \$30,000                |
| Approved on the understanding that this would not constitute the basis for determining the funding level for the remaining two-year period.   |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>  |        |                 |                          |                |                         |
| Formulation of the country programme/RMP  | UNEP   |                 | \$60,000                 | \$7,800        | \$67,800                |

## List of projects and activities recommended for funding

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| Project Title  | Agency | ODP<br>(tonnes) | Funds recommended (US\$) |                  |                    | C.E.  |
|--|--------|-----------------|--------------------------|------------------|--------------------|-------|
|  |        |                 | Project                  | Support          | Total (US\$/kg)    |       |
| <b>Total for Guinea-Bissau</b>   |        |                 | <b>\$115,000</b>         | <b>\$9,675</b>   | <b>\$124,675</b>   |       |
| <b>HAITI</b>   |        |                 |                          |                  |                    |       |
| <b>REFRIGERATION</b>   |        |                 |                          |                  |                    |       |
| <b>Refrigerant management plan</b>   |        |                 |                          |                  |                    |       |
| Implementation of the refrigerant management plan: training for customs officers   | UNEP   |                 | \$33,100                 | \$4,303          | \$37,403           |       |
| Approval is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government.   |        |                 |                          |                  |                    |       |
| Implementation of the refrigerant management plan: monitoring the activities in the RMP  | UNDP   |                 | \$29,400                 | \$2,646          | \$32,046           |       |
| Approval is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government.   |        |                 |                          |                  |                    |       |
| Implementation of the refrigerant management plan: train the technicians on good practices in refrigeration  | UNEP   |                 | \$74,200                 | \$9,646          | \$83,846           |       |
| Approval is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government.   |        |                 |                          |                  |                    |       |
| Implementation of the refrigerant management plan: recovery and recycling of CFC-12 refrigerant  | UNDP   | 14.0            | \$220,256                | \$19,823         | \$240,079          | 15.69 |
| The sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar. Approval is without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government. |        |                 |                          |                  |                    |       |
| <b>Total for Haiti</b>   |        | <b>14.0</b>     | <b>\$356,956</b>         | <b>\$36,418</b>  | <b>\$393,374</b>   |       |
| <b>INDIA</b>   |        |                 |                          |                  |                    |       |
| <b>FUMIGANT</b>  |        |                 |                          |                  |                    |       |
| <b>Preparation of project proposal</b>   |        |                 |                          |                  |                    |       |
| Preparation of an investment project in the fumigant sector  | UNIDO  |                 | \$35,000                 | \$2,625          | \$37,625           |       |
| <b>PRODUCTION</b>  |        |                 |                          |                  |                    |       |
| <b>CFC closure</b>   |        |                 |                          |                  |                    |       |
| CFC production sector gradual phase-out: 2003 annual programme   | IBRD   | 1,883.0         | \$6,000,000              | \$450,000        | \$6,450,000        | 3.19  |
| The World Bank was requested to submit future verification reports in time to facilitate the review by the Secretariat and provide additional information on the financial oversight over the technical assistance programme as per Decision 36/48.  |        |                 |                          |                  |                    |       |
| <b>Total for India</b>   |        | <b>1,883.0</b>  | <b>\$6,035,000</b>       | <b>\$452,625</b> | <b>\$6,487,625</b> |       |

## List of projects and activities recommended for funding

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| Project Title   | Agency  | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|---|---------|-----------------|--------------------------|-----------------|-------------------------|
|   |         |                 | Project                  | Support         |                         |
| <b>IRAN</b>   |         |                 |                          |                 |                         |
| <b>SOLVENT</b>  |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Preparation of investment projects in the solvent sector (CTC/TCA)  | UNIDO   |                 | \$10,000                 | \$750           | \$10,750                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals.  |         |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Preparation of a national CFC phase-out plan  | Germany |                 | \$24,000                 | \$3,120         | \$27,120                |
| Approved on the understanding that Germany would cooperate fully with other bilateral and implementing agencies involved in the implementation of the phase-out plan. |         |                 |                          |                 |                         |
| <b>Total for Iran</b>   |         |                 | <b>\$34,000</b>          | <b>\$3,870</b>  | <b>\$37,870</b>         |
| <b>JAMAICA</b>  |         |                 |                          |                 |                         |
| <b>SOLVENT</b>  |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Formulation of the solvent sectoral phase-out plan  | UNDP    |                 | \$15,000                 | \$1,125         | \$16,125                |
| <b>Total for Jamaica</b>  |         |                 | <b>\$15,000</b>          | <b>\$1,125</b>  | <b>\$16,125</b>         |
| <b>KENYA</b>  |         |                 |                          |                 |                         |
| <b>FUMIGANT</b>   |         |                 |                          |                 |                         |
| <b>Methyl bromide</b>   |         |                 |                          |                 |                         |
| Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture: first tranche   | Germany |                 | \$287,247                | \$37,342        | \$324,589               |
| In accordance with the agreement between the Government of Kenya and the Executive Committee approved at the 38th Meeting.  |         |                 |                          |                 |                         |
| <b>SOLVENT</b>  |         |                 |                          |                 |                         |
| <b>TCA</b>  |         |                 |                          |                 |                         |
| Conversion of TCA based cleaning process to non-ODS alternatives at the Kenya Power and Lighting Company  | Germany | 1.9             | \$85,800                 | \$11,154        | \$96,954 44.46          |
| The revised consumption level of TCA (5.84 ODP tonnes) represents the ceiling from which consumption in this and any future projects will be deducted.                |         |                 |                          |                 |                         |
| <b>Total for Kenya</b>  |         | <b>1.9</b>      | <b>\$373,047</b>         | <b>\$48,496</b> | <b>\$421,543</b>        |
| <b>KOREA, DPR</b>   |         |                 |                          |                 |                         |
| <b>MULTI-SECTOR</b>   |         |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                 |                         |
| Preparation of investment projects in the solvents, process agents and fumigant sector (CTC)  | UNIDO   |                 | \$40,000                 | \$3,000         | \$43,000                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals.  |         |                 |                          |                 |                         |

## List of projects and activities recommended for funding

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| Project Title  | Agency | ODP<br>(tonnes) | Funds recommended (US\$) |                | C.E.<br>Total (US\$/kg) |
|--|--------|-----------------|--------------------------|----------------|-------------------------|
|  |        |                 | Project                  | Support        |                         |
| <b>REFRIGERATION</b>   |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Preparation of investment projects in the refrigeration sector (CFC)   | UNIDO  |                 | \$20,000                 | \$1,500        | \$21,500                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals. |        |                 |                          |                |                         |
| <b>Total for Korea, DPR</b>  |        |                 | <b>\$60,000</b>          | <b>\$4,500</b> | <b>\$64,500</b>         |
| <b>LAO, PDR</b>  |        |                 |                          |                |                         |
| <b>FOAM</b>  |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Formulation of terminal foam project   | UNDP   |                 | \$5,000                  | \$375          | \$5,375                 |
| <b>Total for Lao, PDR</b>  |        |                 | <b>\$5,000</b>           | <b>\$375</b>   | <b>\$5,375</b>          |
| <b>MAURITANIA</b>  |        |                 |                          |                |                         |
| <b>REFRIGERATION</b>   |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Formulation of the investment components of the refrigerant management plan                                    | UNDP   |                 | \$15,000                 | \$1,125        | \$16,125                |
| <b>Total for Mauritania</b>  |        |                 | <b>\$15,000</b>          | <b>\$1,125</b> | <b>\$16,125</b>         |
| <b>MEXICO</b>  |        |                 |                          |                |                         |
| <b>FUMIGANT</b>  |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Preparation of a phase-out plan in the fumigant sector (methyl bromide)  | UNIDO  |                 | \$50,000                 | \$3,750        | \$53,750                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals. |        |                 |                          |                |                         |
| <b>SOLVENT</b>   |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Preparation of investment projects in the solvent sector (TCA)   | UNIDO  |                 | \$30,000                 | \$2,250        | \$32,250                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals. |        |                 |                          |                |                         |
| <b>Total for Mexico</b>  |        |                 | <b>\$80,000</b>          | <b>\$6,000</b> | <b>\$86,000</b>         |
| <b>MYANMAR</b>   |        |                 |                          |                |                         |
| <b>REFRIGERATION</b>   |        |                 |                          |                |                         |
| <b>Preparation of project proposal</b>   |        |                 |                          |                |                         |
| Formulation of the investment components of the refrigerant management plan                                    | UNDP   |                 | \$20,000                 | \$1,500        | \$21,500                |
| <b>Total for Myanmar</b>   |        |                 | <b>\$20,000</b>          | <b>\$1,500</b> | <b>\$21,500</b>         |
| <b>NICARAGUA</b>   |        |                 |                          |                |                         |
| <b>SEVERAL</b>   |        |                 |                          |                |                         |
| <b>Institutional strengthening</b>   |        |                 |                          |                |                         |
| Extension of institutional strengthening project: phase 3  | UNEP   |                 | \$57,200                 | \$0            | \$57,200                |
| <b>Total for Nicaragua</b>   |        |                 | <b>\$57,200</b>          |                | <b>\$57,200</b>         |

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| Project Title   | Agency  | ODP<br>(tonnes) | Funds recommended (US\$) |                  | C.E.<br>Total (US\$/kg) |
|---|---------|-----------------|--------------------------|------------------|-------------------------|
|   |         |                 | Project                  | Support          |                         |
| <b>PAKISTAN</b>   |         |                 |                          |                  |                         |
| <b>FUMIGANT</b>   |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                  |                         |
| Preparation of a phase-out plan in the fumigants sector   | UNIDO   |                 | \$30,000                 | \$2,250          | \$32,250                |
| <b>REFRIGERATION</b>  |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                  |                         |
| Preparation of a phase-out plan in the refrigeration sector (CFC manufacturing)   | UNIDO   |                 | \$20,000                 | \$1,500          | \$21,500                |
| <b>SOLVENT</b>  |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                  |                         |
| Preparation of investment projects in the solvents sector (CTC/TCA)   | UNIDO   |                 | \$25,000                 | \$1,875          | \$26,875                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals.  |         |                 |                          |                  |                         |
| <b>Total for Pakistan</b>   |         |                 | <b>\$75,000</b>          | <b>\$5,625</b>   | <b>\$80,625</b>         |
| <b>PAPUA NEW GUINEA</b>   |         |                 |                          |                  |                         |
| <b>PHASE-OUT PLAN</b>   |         |                 |                          |                  |                         |
| <b>ODS phase out plan</b>   |         |                 |                          |                  |                         |
| Terminal phase-out management plan for ODS (1st phase)  | Germany | 30.8            | \$480,000                | \$59,700         | \$539,700               |
| The sub-projects for the establishment of a recovery and recycling equipment network and the retrofit of commercial refrigeration units should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar. Also, the plan is approved in accordance with the agreement between the Government of Papua New Guinea and the Executive Committee and without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance issues |         |                 |                          |                  |                         |
| <b>Total for Papua New Guinea</b>   |         |                 | <b>30.8</b>              | <b>\$480,000</b> | <b>\$59,700</b>         |
| <b>PARAGUAY</b>   |         |                 |                          |                  |                         |
| <b>SEVERAL</b>  |         |                 |                          |                  |                         |
| <b>Institutional strengthening</b>  |         |                 |                          |                  |                         |
| Extension of institutional strengthening project: phase 3   | UNEP    |                 | \$57,460                 | \$0              | \$57,460                |
| <b>Total for Paraguay</b>   |         |                 | <b>\$57,460</b>          |                  | <b>\$57,460</b>         |
| <b>PERU</b>   |         |                 |                          |                  |                         |
| <b>REFRIGERATION</b>  |         |                 |                          |                  |                         |
| <b>Preparation of project proposal</b>  |         |                 |                          |                  |                         |
| Formulation of the investment components of the refrigerant management plan   | UNDP    |                 | \$15,000                 | \$1,125          | \$16,125                |
| <b>Total for Peru</b>   |         |                 | <b>\$15,000</b>          | <b>\$1,125</b>   | <b>\$16,125</b>         |

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| Project Title  | Agency                                 | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|--|--|-----------------|--------------------------|-----------------|-------------------------|
|  |  |                 | Project                  | Support         |                         |
| <b>PHILIPPINES</b>   |  |                 |                          |                 |                         |
| <b>FUMIGANT</b>  |  |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |  |                 |                          |                 |                         |
| Preparation of a methyl bromide phase-out plan   | IBRD                                   |                 | \$50,000                 | \$3,750         | \$53,750                |
|  | <b>Total for Philippines</b>           |                 | <b>\$50,000</b>          | <b>\$3,750</b>  | <b>\$53,750</b>         |
| <b>ROMANIA</b>   |  |                 |                          |                 |                         |
| <b>SOLVENT</b>   |  |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |  |                 |                          |                 |                         |
| Preparation of investment projects in the solvent sector   | UNIDO                                  |                 | \$15,000                 | \$1,125         | \$16,125                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals. |  |                 |                          |                 |                         |
|  | <b>Total for Romania</b>               |                 | <b>\$15,000</b>          | <b>\$1,125</b>  | <b>\$16,125</b>         |
| <b>RWANDA</b>  |  |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |  |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |  |                 |                          |                 |                         |
| Formulation of the investment components of the refrigerant management plan                                    | UNDP                                   |                 | \$5,000                  | \$375           | \$5,375                 |
|  | <b>Total for Rwanda</b>                |                 | <b>\$5,000</b>           | <b>\$375</b>    | <b>\$5,375</b>          |
| <b>SAO TOME AND PRINCIPE</b>   |  |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |  |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |  |                 |                          |                 |                         |
| Formulation of the investment components of the refrigerant management plan                                    | UNDP                                   |                 | \$15,000                 | \$1,125         | \$16,125                |
|  | <b>Total for Sao Tome and Principe</b> |                 | <b>\$15,000</b>          | <b>\$1,125</b>  | <b>\$16,125</b>         |
| <b>SUDAN</b>   |  |                 |                          |                 |                         |
| <b>REFRIGERATION</b>   |  |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>   |  |                 |                          |                 |                         |
| Preparation of investment projects in the domestic/commercial refrigeration sector                             | UNIDO                                  |                 | \$20,000                 | \$1,500         | \$21,500                |
| UNIDO would endeavour to prepare sectoral phase-out plan rather than stand-alone investment project proposals. |  |                 |                          |                 |                         |
|  | <b>Total for Sudan</b>                 |                 | <b>\$20,000</b>          | <b>\$1,500</b>  | <b>\$21,500</b>         |
| <b>TUNISIA</b>   |  |                 |                          |                 |                         |
| <b>SEVERAL</b>   |  |                 |                          |                 |                         |
| <b>Institutional strengthening</b>   |  |                 |                          |                 |                         |
| Renewal of institutional strengthening project   | IBRD                                   | 20.2            | \$242,667                | \$18,200        | \$260,867               |
|  | <b>Total for Tunisia</b>               | <b>20.2</b>     | <b>\$242,667</b>         | <b>\$18,200</b> | <b>\$260,867</b>        |



## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title   | Agency     | ODP<br>(tonnes) | Funds recommended (US\$) |                 | C.E.<br>Total (US\$/kg) |
|---|------------|-----------------|--------------------------|-----------------|-------------------------|
|   |            |                 | Project                  | Support         |                         |
| <b>VIETNAM</b>  |            |                 |                          |                 |                         |
| <b>PHASE-OUT PLAN</b>   |            |                 |                          |                 |                         |
| <b>Preparation of project proposal</b>  |            |                 |                          |                 |                         |
| Preparation of a national CFC phase-out plan  | IBRD       |                 | \$60,000                 | \$4,500         | \$64,500                |
| <b>Total for Vietnam</b>  |            |                 | <b>\$60,000</b>          | <b>\$4,500</b>  | <b>\$64,500</b>         |
| <b>WESTERN SAMOA</b>  |            |                 |                          |                 |                         |
| <b>SEVERAL</b>  |            |                 |                          |                 |                         |
| <b>Institutional strengthening</b>  |            |                 |                          |                 |                         |
| Extension of institutional strengthening project: phase 2   | UNEP       |                 | \$26,000                 | \$0             | \$26,000                |
| <b>Total for Western Samoa</b>  |            |                 | <b>\$26,000</b>          |                 | <b>\$26,000</b>         |
| <b>REGION: ASP</b>  |            |                 |                          |                 |                         |
| <b>SEVERAL</b>  |            |                 |                          |                 |                         |
| <b>Technical assistance/support</b>   |            |                 |                          |                 |                         |
| Preventing illegal trade of ODS in the South Asia Region (jointly implemented with Japan)   | Sweden     |                 | \$200,000                | \$26,000        | \$226,000               |
| <b>Total for Region: ASP</b>  |            |                 | <b>\$200,000</b>         | <b>\$26,000</b> | <b>\$226,000</b>        |
| <b>REGION: EUR</b>  |            |                 |                          |                 |                         |
| <b>SEVERAL</b>  |            |                 |                          |                 |                         |
| <b>Network</b>  |            |                 |                          |                 |                         |
| Regional network for 10 article 5 countries in Eastern Europe and Central Asia (jointly implemented with Hungary, the Slovak Republic and UNEP)   | Czech Repu |                 | \$60,000                 | \$7,800         | \$67,800                |
| Regional network for 10 article 5 countries in Eastern Europe and Central Asia (jointly implemented with the Czech Republic, Hungary and UNEP)  | Slovak Rep |                 | \$15,000                 | \$1,950         | \$16,950                |
| Regional network for 10 article 5 countries in Eastern Europe and Central Asia (jointly implemented with the Czech Republic, Hungary and the Slovak Republic)   | UNEP       |                 | \$52,920                 | \$6,880         | \$59,800                |
| UNEP was requested to submit to the 41st Meeting of the Executive Committee a revised budget, based on experience, with a view towards the possible incorporation of the project within a rationalized CAP for the year 2004; and to assume full responsibility for reporting on expenditure and implementation of the project supported in part by the three bilateral requests. |            |                 |                          |                 |                         |
| Regional network for 10 article 5 countries in Eastern Europe and Central Asia (jointly implemented with the Czech Republic, the Slovak Republic and UNEP)  | Hungary    |                 | \$40,000                 | \$5,200         | \$45,200                |
| <b>Total for Region: EUR</b>  |            |                 | <b>\$167,920</b>         | <b>\$21,830</b> | <b>\$189,750</b>        |
| <b>GLOBAL</b>   |            |                 |                          |                 |                         |
| <b>AEROSOL</b>  |            |                 |                          |                 |                         |
| <b>Technical assistance/support</b>   |            |                 |                          |                 |                         |
| Development of guidelines to promote safety an aerosol conversions  | UNEP       |                 | \$52,000                 | \$6,760         | \$58,760                |

## List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Project Title   | Agency                  | ODP<br>(tonnes) | Funds recommended (US\$) |                    | C.E.<br>Total (US\$/kg) |
|---|-------------------------|-----------------|--------------------------|--------------------|-------------------------|
|   |                         |                 | Project                  | Support            |                         |
| <b>SEVERAL</b>  |                         |                 |                          |                    |                         |
| <b>Technical assistance/support</b>   |                         |                 |                          |                    |                         |
| Assistance for regional awareness raising   | UNEP                    |                 | \$200,000                | \$26,000           | \$226,000               |
| <b>Information exchange</b>   |                         |                 |                          |                    |                         |
| Production of OzonAction Newsletter in Russian, translation of 4 refrigeration/customs training modules into Russian, and reprinting and updating existing publications | UNEP                    |                 | \$75,000                 | \$9,750            | \$84,750                |
| Approved on the understanding that the remaining 50 per cent of funding (US \$75,000) should be provided from reallocation of funding approved under the CAP.           |                         |                 |                          |                    |                         |
|   | <b>Total for Global</b> |                 | <b>\$327,000</b>         | <b>\$42,510</b>    | <b>\$369,510</b>        |
|   | <b>GRAND TOTAL</b>      | <b>7,953.0</b>  | <b>\$48,379,245</b>      | <b>\$3,766,896</b> | <b>\$52,146,141</b>     |

## Summary

UNEP/OzL.Pro/ExCom/39/19  
Annex I

| Sector                                       | Tonnes<br>ODP | Funds Approved (US\$) |             |              |
|--|---------------|-----------------------|-------------|--------------|
|  |               | Project               | Support     | Total        |
| <b>BILATERAL COOPERATION</b>                 |               |                       |             |              |
| Fumigant                                     |               | \$287,247             | \$37,342    | \$324,589    |
| Halon  |               | \$16,500              | \$2,145     | \$18,645     |
| Refrigeration                                | 103.0         | \$1,007,000           | \$126,910   | \$1,133,910  |
| Solvent                                      | 1.9           | \$85,800              | \$11,154    | \$96,954     |
| Phase-out plan                               | 30.8          | \$1,612,863           | \$161,928   | \$1,774,791  |
| Several                                      |               | \$315,000             | \$40,950    | \$355,950    |
| TOTAL:                                       | 135.7         | \$3,324,410           | \$380,429   | \$3,704,839  |
| <b>INVESTMENT PROJECT</b>                    |               |                       |             |              |
| Foam   | 33.0          | \$364,650             | \$27,349    | \$391,999    |
| Other  | 180.0         | \$2,000,000           | \$150,000   | \$2,150,000  |
| Process agent                                | 2,638.0       | \$20,000,000          | \$1,500,000 | \$21,500,000 |
| Production                                   | 4,783.0       | \$19,000,000          | \$1,425,000 | \$20,425,000 |
| Refrigeration                                | 72.7          | \$1,232,239           | \$104,693   | \$1,336,932  |
| Phase-out plan                               | 73.3          | \$483,193             | \$42,736    | \$525,929    |
| TOTAL:                                       | 7,780.0       | \$43,080,082          | \$3,249,778 | \$46,329,860 |
| <b>WORK PROGRAMME AMENDMENT</b>              |               |                       |             |              |
| Aerosol                                      |               | \$82,000              | \$9,010     | \$91,010     |
| Foam   |               | \$15,000              | \$1,125     | \$16,125     |
| Fumigant                                     |               | \$175,000             | \$13,125    | \$188,125    |
| Halon  |               | \$40,000              | \$3,000     | \$43,000     |
| Multi-sector                                 |               | \$40,000              | \$3,000     | \$43,000     |
| Refrigeration                                |               | \$220,000             | \$17,049    | \$237,049    |
| Solvent                                      |               | \$115,000             | \$8,625     | \$123,625    |
| Phase-out plan                               |               | \$115,000             | \$8,625     | \$123,625    |
| Several                                      | 37.3          | \$1,172,753           | \$73,130    | \$1,245,883  |
| TOTAL:                                       | 37.3          | \$1,974,753           | \$136,689   | \$2,111,442  |
| Summary by Parties and Implementing Agencies |               |                       |             |              |
| Canada                                       |               | \$292,000             | \$37,960    | \$329,960    |
| Czech Republic                               |               | \$60,000              | \$7,800     | \$67,800     |
| Germany                                      | 135.7         | \$2,671,410           | \$298,069   | \$2,969,479  |
| Hungary                                      |               | \$40,000              | \$5,200     | \$45,200     |
| Slovak Republic                              |               | \$15,000              | \$1,950     | \$16,950     |
| Sweden                                       |               | \$246,000             | \$29,450    | \$275,450    |
| IBRD   | 7,441.2       | \$39,417,667          | \$2,956,325 | \$42,373,992 |
| UNDP   | 14.0          | \$509,656             | \$41,968    | \$551,624    |
| UNEP   | 17.1          | \$1,167,511           | \$87,795    | \$1,255,306  |
| UNIDO  | 345.0         | \$3,960,001           | \$300,379   | \$4,260,380  |
| GRAND TOTAL                                  | 7,953.0       | \$48,379,245          | \$3,766,896 | \$52,146,141 |



Annex II**AGREEMENT FOR THE TERMINAL ODS PHASE-OUT MANAGEMENT PLAN  
(TPMP) FOR PAPUA NEW GUINEA**

1. The Executive Committee approves in principle a total of US \$700,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Papua New Guinea. This is the total funding that would be available to Papua New Guinea from the Multilateral Fund for the total elimination of CFC use in Papua New Guinea. The agreed level of funding would be paid out in instalments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.

2. By this Agreement, Papua New Guinea commits that, in exchange for the funding level specified below in Table 1, it will eliminate its total CFC consumption in accordance with the annual consumption limits given in Table 2.

**Table 1: Funding levels under the TPMP for Papua New Guinea**

| <b>Funding level (US\$)</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>Total</b> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Project costs               | 480,000     |             |             | 220,000     |             | 700,000      |
| Agency support costs        | 59,700      |             |             | 27,300      |             | 87,000       |
| Total costs                 | 539,700     |             |             | 247,300     |             | 787,000      |

**Table 2: Maximum allowable consumption for Annex A, Group I substances**

| <b>Year</b>                | <b>Consumption (ODP tonnes)</b> |
|----------------------------|---------------------------------|
| April 2003 – March 2004    | 35.0                            |
| April 2004 – March 2005    | 26.0                            |
| April 2005 – March 2006    | 17.0                            |
| April 2006 – March 2007    | 8.0                             |
| April 2007 – December 2007 | 4.5                             |
| 2008 - 2010                | 0                               |

3. The Executive Committee also agrees in principle that the funds will be provided at the first meetings of the Executive Committee in 2003 and 2006 in accordance with Table 1 for the exact amounts listed in the table and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this Agreement. On this basis, the payment indicated in year 2003 will be for activities to be undertaken from 2003 to 2005; while payment in the year 2006 will be for activities in 2006 and 2007.

4. Payments noted in Table 1, other than the 2003 implementation programme, will be released based on confirmation that the agreed phase-out targets noted in Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan. Hence,

payment in 2006 would be released based on confirmation that the April 2004-March 2005 consumption target had been met and all 2003–2005 implementation plan activities had been completed.

5. The Government of Papua New Guinea also agrees to ensure accurate monitoring of the phase-out. The Government of Papua New Guinea will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be consistent with Papua New Guinea's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.

6. The Government of Papua New Guinea also agrees to allow independent verification audits as provided for in this Agreement and, in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 2.

7. The Papua New Guinea Terminal CFC Phase-out Management Plan, which supports this Agreement, the Papua New Guinea Country Programme, and other related documentation, may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Papua New Guinea with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 2. The Executive Committee understands that during implementation, as long as it is consistent with this Agreement, the funds provided to Papua New Guinea pursuant to this Agreement may be used in any manner that Papua New Guinea believes will achieve the smoothest possible CFC sector phase-out, consistent with operational procedures as agreed between the Government of Papua New Guinea and the Government of Germany in the Terminal Phase-out Management Plan and as indicated in the implementation programmes.

8. The Government of Papua New Guinea agrees that the funds being agreed in principle by the Executive Committee at its 39<sup>th</sup> Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Papua New Guinea to enable its full compliance with the reduction and phase out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that, apart from the agency fee referred to in paragraph 10 below, the Government of Papua New Guinea, the Multilateral Fund, its implementing agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of CFC in the country.

9. The Government of Papua New Guinea agrees that, if the Executive Committee meets its obligations under this Agreement, but the Government of Papua New Guinea does not meet the reduction requirements outlined in paragraph 2 and other requirements outlined in this document, the implementing agency and the Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfilment of this agreement depends on the satisfactory performance of its obligations by both the Government of Papua New Guinea and the Executive Committee. In addition, Papua New Guinea understands that, regarding all calendar year targets in paragraph 2 of this Agreement beginning with the 2003-2004 annual period, the Multilateral

Fund will reduce the subsequent tranche and therefore the total funding for CFC phase out on the basis of US \$15,000 per ODP tonne of reduction not achieved in any year.

10. The Government of Germany has agreed to be the implementing agency for the implementation of this Terminal Phase-out Management Plan, which will be completed in 2007. A total agency fee of US \$87,000 has been agreed in accordance with the provisions of this Agreement and distributed as shown in Table 1. The Government of Germany would be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with specific Government of Germany procedures and requirements, as specified in the Papua New Guinea CFC Phase-out Management Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by the Government of Germany are undertaken by appropriate independent technical experts;
- (e) Assisting Papua New Guinea in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme and accurate data reporting;
- (h) Ensuring that disbursements are made to Papua New Guinea based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

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





Annex III

**AGREEMENT FOR THE TERMINAL CFC PHASE-OUT MANAGEMENT  
PLAN (TPMP) FOR CROATIA**

1. The Executive Committee approves a total of US \$379,700, excluding agency support costs, in funding for the phased reduction and complete phase out of Annex A, Group I substances used in Croatia. This is the total funding that would be available to Croatia from the Multilateral Fund for the total elimination of the use of Annex A, Group I substances in Croatia. The agreed level of funding would be paid out in instalments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.

2. By this Agreement, Croatia commits that, in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I CFC consumption in accordance with the annual consumption limits given in Table 2.

Table 1: Funding levels and profile under the TPMP

| <b>Funding (US \$)</b> | <b>2003</b> | <b>2004</b> | <b>2005</b> | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>Total</b> |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Component I (Sweden)   | 46,000      | 24,700      | 21,500      |             |             |             | 92,200       |
| Component II (UNIDO)   | 184,000     | 48,300      | 35,000      | 10,200      | 5,000       | 5,000       | 287,500      |
| Agency fees (Sweden)   | 3,450       | 1,853       | 1,613       |             |             |             | 6,915        |
| Agency fees (UNIDO)    | 13,800      | 3,623       | 2,625       | 765         | 375         | 375         | 21,563       |
| Total (Sweden)         | 49,450      | 26,553      | 23,113      |             |             |             | 99,115       |
| Total (UNIDO)          | 197,800     | 51,923      | 37,625      | 10,965      | 5,375       | 5,375       | 309,063      |
| Grand total            | 247,250     | 78,475      | 60,738      | 10,965      | 5,375       | 5,375       | 408,178      |

Table 2: Maximum allowable consumption for Annex A, Group I (CFCs) in ODP tonnes

| <b>Year</b> | <b>(ODP tonnes)</b> |
|-------------|---------------------|
| 2003        | 98                  |
| 2004        | 98                  |
| 2005        | 65                  |
| 2006        | *                   |
| 2007        | *                   |
| 2008        | *                   |
| 2009        | *                   |
| 2010        | 0                   |

\*The By-Law on Substances that Deplete the Ozone Layer (of 30 January 1999) includes a clause on importing on an exceptional basis between 2006 and 2009 up to 21.9 ODP tonnes of Annex A (Groups I and II) and/or Annex B (Groups II and III) or products containing these substances, when these substances and/or products are for preserving human, plant and/or animal life; national defence, safety and fire-fighting; and scientific research safety, when such products cannot be replaced by environmentally-sound and economically-viable alternatives.

3. In order to assist Croatia in achieving the 2003 reduction targets and to initiate measures necessary to meet the other reduction targets included in Table 2, the Executive Committee decides at its 39<sup>th</sup> Meeting to provide US \$379,700 plus agency support costs to Croatia. The TPMP consists of the phase-out plan for the remaining CFC consumption in the servicing sector prepared with assistance from the Government of Sweden. As the lead agency, UNIDO will assist the Government of Croatia to implement the overall TPMP, particularly activities indicated in Table 3. The Government of Sweden, as co-implementing agency, will provide assistance to Croatia to implement activities included in Table 3. The funding provided by the Government of Sweden, as stated in Table 1, will be counted against the Swedish bilateral quota of its contribution to the Multilateral Fund in annually specified tranches.

4. The Executive Committee also agrees, in principle, that the funds for 2003 will be provided upon approval of this Agreement and thereafter funds will be provided at the first meeting of the Executive Committee of each year, in accordance with Table 1, for the exact amounts listed in Table 1 and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this Agreement. On this basis, the payment indicated in year 2003 will be for activities to be undertaken in the remainder of 2003 until June 2004.

5. Payments noted in Table 1, other than the payment in 2003, will be released based on confirmation that the agreed phase-out targets noted in Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year have been undertaken in accordance with the annual implementation plan. Hence, payment in 2004 for the 2004 implementation plan would be released based on confirmation that the 2003 consumption target had been met and all 2003 implementation plan activities had been completed, and likewise for future years.

6. The Government of Croatia agrees to ensure accurate monitoring of the phase out. The Government of Croatia will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement are consistent with Croatia's report to the Ozone Secretariat under Article 7 of the Montreal Protocol.

7. The Government of Croatia also agrees to allow independent verification audits as provided for in this Agreement and, in addition, external evaluation as may be directed by the Executive Committee, to verify that annual consumption levels correspond to those agreed in Table 2 and that implementation of the TPMP proceeds as scheduled and agreed in annual implementation programmes.

8. The Croatia Terminal CFC Phase-out Management Plan may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Croatia with maximum flexibility in using the agreed funds to meet the consumption limits agreed in Table 2. The Executive Committee understands that during implementation, as long as it is consistent with this Agreement, the funds provided to Croatia pursuant to this Agreement may be used in any manner that Croatia believes will achieve the smoothest possible CFC phase out, consistent with operational procedures as agreed between the Government of Croatia, UNIDO as the lead implementing agency, and the Government of

Sweden as co-implementing agency. In the Executive Committee's acknowledgement of the flexibility available to Croatia to achieve a complete CFC phase out, it is noted that Croatia is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 2 of this Agreement.

9. The Government of Croatia agrees that the funds being agreed in principle by the Executive Committee at its 39<sup>th</sup> Meeting for the complete phase out of Annex A, Group I substances are the total funding that will be available to Croatia to enable its full compliance with the reduction and phase out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be requested for any related activities. It is also understood that, apart from the agency fees referred to in paragraph 11 below, the Government of Croatia, the Multilateral Fund, its implementing agencies, and bilateral donors will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase out of CFCs in the country.

10. The Government of Croatia agrees that if the Executive Committee meets its obligations under this Agreement but that the Government of Croatia does not meet the reduction requirements stated in paragraph 2 and other requirements outlined under this document, the implementing agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfilment of this Agreement depends on the satisfactory performance of its obligation by both the Government of Croatia and the Executive Committee.

11. UNIDO has agreed to be the lead implementing agency for the implementation of this Terminal Phase-out Management Plan, with the Government of Sweden as co-implementing agency for the implementation of Component I of the TPMP. A fee of a total of 7.5 per cent of the annual funds has been agreed in accordance with the provisions of this Agreement and distributed between the two agencies as shown in Tables 1 and 3. As the lead implementing agency, UNIDO will be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the Croatia Terminal CFC Phase-out Management Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNIDO are carried out by appropriate independent technical experts;
- (e) Assisting Croatia in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;

- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme and accurate data reporting;
- (h) Ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

12. The Government of Sweden, as co-implementing agency, will be responsible for the following:

- (a) Assisting the Government of Croatia in the implementation and verification of the activities funded by the Swedish bilateral quota as per Component I of Table 1, including providing policy development assistance;
- (b) Providing reports to UNIDO on these activities, for inclusion in consolidated reports; and
- (c) Ensuring that disbursements are made to Croatia based on agreed performance targets in the project and provisions in this Agreement.

13. The funding components of this Agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

Table 3: Cash flow of the TPMP for Croatia

| Description                                | Total (US\$) | 2003    |        | 2004   |        | 2005   |        | 2006   | 2007  | 2008  |
|--|--------------|---------|--------|--------|--------|--------|--------|--------|-------|-------|
|  |              | UNIDO   | Sweden | UNIDO  | Sweden | UNIDO  | Sweden | UNIDO  | UNIDO | UNIDO |
| <b>Training of existing workforce</b>      |              |         |        |        |        |        |        |        |       |       |
| 3-day training course                      | 11,000       | 11,000  |        |        |        |        |        |        |       |       |
| 1+1-day training course                    | 45,000       | 15,000  |        | 10,000 |        | 20,000 |        |        |       |       |
| Technical assistance                       | 6,000        |         | 6,000  |        |        |        |        |        |       |       |
| Contingency                                | 6,200        |         |        | 6,200  |        |        |        |        |       |       |
| Sub-Total                                  | 68,200       | 26,000  | 6,000  | 16,200 |        | 20,000 |        |        |       |       |
| <b>Strengthening of vocational schools</b> |              |         |        |        |        |        |        |        |       |       |
| Update/produce training materials          | 10,000       | 10,000  |        |        |        |        |        |        |       |       |
| Procurement of equipment                   | 36,000       | 36,000  |        |        |        |        |        |        |       |       |
| Training of trainers                       | 5,000        | 5,000   |        |        |        |        |        |        |       |       |
| Technical assistance                       | 3,000        |         | 3,000  |        |        |        |        |        |       |       |
| Contingency                                | 5,400        |         |        | 5,400  |        |        |        |        |       |       |
| Sub-Total                                  | 59,400       | 51,000  | 3,000  | 5,400  |        |        |        |        |       |       |
| <b>Code of practice</b>                    | 22,000       |         | 8,000  |        | 8,700  |        | 5,300  |        |       |       |
| Contingency                                | 2,200        |         |        |        |        |        | 2,200  |        |       |       |
| Sub-Total                                  | 24,200       |         | 8,000  |        | 8,700  |        | 7,500  |        |       |       |
| <b>Reclamation capability</b>              |              |         |        |        |        |        |        |        |       |       |
| Initiate infrastructure                    | 20,000       |         | 20,000 |        |        |        |        |        |       |       |
| Contingency                                | 2,000        |         |        |        | 2,000  |        |        |        |       |       |
| Equipment                                  | 102,000      | 102,000 |        |        |        |        |        |        |       |       |
| Contingency                                | 10,200       |         |        | 10,200 |        |        |        |        |       |       |
| Sub-Total                                  | 134,200      | 102,000 | 20,000 | 10,200 |        |        |        |        |       |       |
| <b>Monitoring and implementation</b>       |              |         |        |        |        |        |        |        |       |       |
| Targeted information                       | 15,000       | 5,000   |        | 5,000  |        | 5,000  |        |        |       |       |
| Contingency                                | 1,500        |         |        | 1,500  |        |        |        |        |       |       |
| Monitoring/implementation/evaluation       | 52,000       |         | 9,000  |        | 14,000 |        | 14,000 | 5,000  | 5,000 | 5,000 |
| Contingency                                | 5,200        |         |        |        |        |        | 5,200  |        |       |       |
| Subsidies for demo. projects               | 20,000       |         |        | 10,000 |        | 10,000 |        |        |       |       |
| Sub-Total                                  | 93,700       | 5,000   | 9,000  | 16,500 | 14,000 | 15,000 | 14,000 | 10,200 | 5,000 | 5,000 |
| Total                                      | 379,700      | 184,000 | 46,000 | 48,300 | 24,700 | 35,000 | 21,500 | 10,200 | 5,000 | 5,000 |
| Support Cost (7.5%)                        | 28,478       | 13,800  | 3,450  | 3,623  | 1,853  | 2,625  | 1,613  | 765    | 375   | 375   |
| Grand Total                                | 408,178      | 197,800 | 49,450 | 51,923 | 26,553 | 37,625 | 23,113 | 10,965 | 5,375 | 5,375 |



Annex IV**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF  
INSTITUTIONAL STRENGTHENING PROJECTS  
SUBMITTED TO THE 39<sup>th</sup> MEETING***Bahamas*

1. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Bahamas and expresses concern that, according to Decision XIV/19 of the Fourteenth Meeting of the Parties, Bahamas was in non-compliance with its obligations under Article 2A of the Montreal Protocol during the CFC consumption freeze control period of 1 July 2000 to 30 June 2001. Despite this, the Executive Committee also notes that Bahamas has taken some significant steps to phase out its ODS consumption in the period covered for the first phase of its institutional strengthening project. Specifically, in its submission, Bahamas reports that it has taken initiatives, including the continued co-ordination of public awareness activities, the enhancement of ODS legislation and implementation of training on recovery and recycling and good practices in refrigeration. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Bahamas to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Bahamas will continue the implementation of its activities, including the terminal phase-out management plan (TPMP), the awareness programme and policy measures and make progress towards the fulfilment of its obligations under the Montreal Protocol.

*Comoros*

2. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Comoros and notes with appreciation that the consumption reported to the Ozone Secretariat for 2001 is lower than its 1995-1997 average CFC consumption and that Comoros appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Comoros has taken some significant steps to phase out its ODS consumption in the period covered for the next phase of its institutional strengthening project. Specifically, in its submission, Comoros reports that it has taken initiatives, including the continued co-ordination of public awareness activities, the organisation of the refrigeration training workshop, as well as the continued regulation of ODS imports and consumption. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Comoros to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Comoros will continue the implementation of the Montreal Protocol, the refrigerant management plan projects and the awareness activities with outstanding progress and sustain and build upon its current levels of reduction in CFCs.

*Congo*

3. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Congo and notes with appreciation the fact that Congo reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption, and that Congo appears to be able to comply with CFC consumption freeze. The Executive Committee also notes that Congo has taken some significant steps to phase out its ODS consumption in the period covered for the second phase of its institutional strengthening project. Specifically, in its submission, Congo reports that it has taken initiatives, including the continued co-ordination of public awareness activities, the enhancement of ODS legislation and continued collection and dissemination of data concerning CFC consumption. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Congo to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Congo will continue the implementation of the Montreal Protocol, the refrigerant management plan projects and the awareness activities with outstanding progress and sustain and build upon its current levels of reduction in CFCs.

*Dominican Republic*

4. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for the Dominican Republic and notes with appreciation the fact that the Dominican Republic reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption, and that the Dominican Republic appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that the Dominican Republic has taken some significant steps to phase out its ODS consumption in the period covered for the second phase of its institutional strengthening project. Specifically, in its submission, the Dominican Republic reports that it has taken initiatives, including the enhancement of ODS legislation, the implementation of training on recovery and recycling and good practices in the refrigeration sector, as well as the establishment of a pilot project aimed at phasing out methyl bromide. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of the Dominican Republic to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, the Dominican Republic will continue the implementation of the Montreal Protocol, the refrigerant management plan projects and the awareness activities with outstanding progress and sustain and build upon its current levels of reduction in CFCs.

*Ethiopia*

5. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Ethiopia and expresses concern that, according to Decision XIV/34 of the Fourteenth Meeting of the Parties, Ethiopia was in non-compliance with its obligations under Article 2A of the Montreal Protocol during the CFC freeze control period 1 July 2000 to 30 June 2001. Despite this, the Executive Committee notes that Ethiopia has taken significant steps to phase out its ODS consumption in the period covered under its institutional strengthening project. Specifically, in its submission, Ethiopia reports that it has taken initiatives, including the continuation of its awareness activities, the enhancement of ODS legislation, the



completion of the recovery and recycling project, continuation of the survey and collection of data on ODS consumption, as well as the ratification of the amendments to the Montreal Protocol. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Ethiopia to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Ethiopia will have fully implemented a licensing system and restricted imports of all CFCs to enable it to accomplish the reductions in its CFC consumption to which it is committed in accordance with Decision XIV/34 subparagraph 3 of the Fourteenth Meeting of the Parties and generally ensure its compliance with the Montreal Protocol measures.

#### *Georgia*

6. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Georgia and notes with appreciation the fact that Georgia reported 2001 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Georgia is able to comply with the CFC consumption freeze. The Executive Committee also notes that Georgia has taken some significant steps to phase out its consumption of ODS in the period covered for its institutional strengthening project. Specifically, in its submission, Georgia reports that it has taken important initiatives, namely the reduction of ODS imports through a licensing system, the organisation of training workshops on Good Practices in Refrigeration and monitoring its results, the distribution of refrigeration recovery and recycling equipment, as well as conducting public awareness activities throughout the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Georgia to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Georgia will continue the implementation of the licensing system, the refrigerant management plan and non-investment programmes with outstanding progress, and sustain and build upon its current levels of reduction in CFCs.

#### *Nicaragua*

7. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Nicaragua and notes with appreciation the fact that Nicaragua reported 2001 CFC consumption data to the Ozone Secretariat that is almost 60 per cent lower than its 1995-1997 average CFC consumption, and that Nicaragua has complied with the CFC consumption freeze and is on its way to meeting the 50 per cent CFC reduction by 2005. The Executive Committee also notes that Nicaragua has taken some significant steps to phase out its ODS consumption in the period covered for the second phase of its institutional strengthening project. Specifically, in its submission, Nicaragua reports that it has taken initiatives, including the continued co-ordination of public awareness activities, the enhancement of ODS legislation and the implementation of the customs component of the refrigerant management plan, as well as the ratification of the Montreal and Beijing amendments. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Nicaragua to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Nicaragua will continue the implementation of the Montreal Protocol, the refrigerant management plan projects and the awareness activities with outstanding progress and sustain and build upon its current levels of reduction in CFCs.

*Paraguay*

8. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Paraguay and notes with appreciation the fact that Paraguay reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption, and that Paraguay appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Paraguay has taken some significant steps to phase out its ODS consumption in the period covered for the second phase of its institutional strengthening project. Specifically, in its submission, Paraguay reports that it has taken initiatives, including the continued development of public awareness materials, the implementation of effective training on recovery and recycling, and good practices in refrigeration. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Paraguay to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Paraguay will continue the implementation of the Montreal Protocol, the refrigerant management plan projects and the awareness activities with outstanding progress and sustain and build upon its current levels of reduction in CFCs.

*Samoa*

9. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Samoa. The Executive Committee notes with appreciation the fact that the 2001 CFC consumption reported by Samoa to the Ozone Secretariat is lower than its 1995-1997 average CFC consumption, and that Samoa appears to be able to comply with the CFC consumption freeze. The Executive Committee notes that Samoa has taken some significant steps to phase out its ODS consumption in the period covered for its institutional strengthening project. Specifically, in its submission, Samoa reports that it has taken initiatives, including the continued co-ordination of public awareness activities, the enhancement of ODS legislation, and implementation of the refrigerant management plan through successful refrigeration and customs training workshops. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Samoa to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Samoa will continue to implement its refrigerant management plan, awareness activities programme and other policy measures with outstanding progress.

*Tunisia*

10. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Tunisia and notes with appreciation the fact that Tunisia reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption, and that Tunisia appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Tunisia has taken some significant steps to phase out its ODS consumption in the period covered for its institutional strengthening project. Specifically, in its submission, Tunisia reports that it has taken initiatives, including drafting legislation to enforce the provisions of the Montreal Protocol, organisation of public awareness activities and collection of data on ODS consumption to meet the country's data reporting obligations and to monitor and promote the country's ODS phase-out programme.

These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Tunisia to reduce the consumption of CFCs. The Executive Committee expects that, in the next two years, Tunisia will continue the implementation of the Montreal Protocol, supervision of implementation of investment projects, organisation of awareness activities, and sustain and build upon its current levels of reduction in CFCs.



Annex V

**AGREEMENT FOR THE NATIONAL PHASE-OUT PLAN FOR ALBANIA**

1. The Executive Committee has noted that the Parties decided at their 14<sup>th</sup> Meeting (Decision XIV/18 – non-compliance with the Montreal Protocol by Albania), *inter alia*:
  - (a) "To request that Albania submit to the Implementation Committee a plan of action with time-specific benchmarks to ensure a prompt return to compliance...."; and
  - (b) "...to the degree that Albania is working towards meeting the specific control measures, it should continue to be treated in the same manner as a Party in good standing and should continue to receive international assistance to enable it to return to compliance...".
2. The Executive Committee has also noted that pursuant to Decision XIV/18, Albania has submitted to the Ozone Secretariat for the consideration by the Implementation Committee a terminal phase-out plan that would achieve compliance CFC freeze in 2005 and the 50% reduction in 2006.
3. In order to provide immediate assistance to facilitate a return to compliance; and without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance, on an exceptional basis, the Executive Committee has entered into an Agreement with the Government of Albania with respect to the complete phase-out of the ozone depleting substances (ODSs) of Annex A Group I, Annex B Group II and Annex E used in Albania.
4. Albania agrees to phase out the production and consumption of all controlled uses of all ODSs in accordance with the annual consumption limits set out in Table 1, and this Agreement. Albania accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it will not apply for or receive further funding from the Multilateral Fund in respect to all controlled ODSs.

Table 1: Annual consumption limits for ODSs in Albania

| <b>Year</b> | <b>ODP tonnes</b> |
|-------------|-------------------|
| 2003        | 68.0              |
| 2004        | 61.2              |
| 2005        | 36.2              |
| 2006        | 15.2              |
| 2007        | 6.2               |
| 2008        | 2.2               |
| 2009        | 0                 |

5. Subject to compliance by Albania with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide a total of US \$653,125, excluding agency support costs and funding for institutional strengthening, as the total funding for Albania for the complete phase out of production and consumption of all ODSs, in accordance with the funding disbursement schedule presented in Table 2. The funding for 2003 will be provided at the time of

approval of this Agreement; thereafter, the Executive Committee will endeavour to provide the indicated funds at the first meeting of the year.

**Table 2: Funding disbursement schedule (US\$)**

| <b>Funding</b>              | <b>2003</b>    | <b>2004</b>    | <b>2005</b>   | <b>2006</b>   | <b>2007</b>   | <b>2008</b>   | <b>2009</b>   |
|-----------------------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|
| Component I (UNEP)          | 118,125        | 0              | 0             | 0             | 0             | 0             | 0             |
| Component II (UNIDO)        | 181,068        | 172,322        | 72,322        | 42,322        | 22,322        | 22,322        | 22,322        |
| Agency fees (UNEP)          | 15,356         | 0              | 0             | 0             | 0             | 0             | 0             |
| Agency fees UNIDO)          | 13,580         | 12,924         | 5,424         | 3,174         | 1,674         | 1,674         | 1,674         |
| Total (UNEP)                | 133,482        | 0              | 0             | 0             | 0             | 0             | 0             |
| Total (UNIDO)               | 194,648        | 185,246        | 77,746        | 45,496        | 23,996        | 23,996        | 23,996        |
| <b>Total cost to the MF</b> | <b>328,130</b> | <b>185,246</b> | <b>77,746</b> | <b>45,496</b> | <b>23,996</b> | <b>23,996</b> | <b>23,996</b> |

6. Albania will meet the consumption limits for all ODSs as indicated in Table 1. It will also accept independent verification of achievement of these consumption limits by UNIDO, as the lead implementing agency, as described in paragraph 11 of this Agreement.

7. The Executive Committee will not provide the funding in accordance with the funding disbursement schedule indicated in Table 2 unless Albania satisfies the following conditions prior to the Executive Committee Meeting where funding is requested for the subsequent implementation programme:

- (a) Albania has met the phase-out targets for the applicable year as indicated in Table 1, and these targets have been independently verified as described in paragraph 11;
- (b) Albania has substantially completed all actions set out in the last annual implementation programme; and
- (c) Albania has submitted and received approval from the Executive Committee for an annual implementation programme in respect of the year for which funding is being requested.

8. Albania will ensure that it conducts accurate monitoring of its activities under this Agreement. The Steering Committee of the National Phase-out Plan of Albania, chaired by the National Ozone Unit will monitor and report on that monitoring in accordance with the following roles and responsibilities set out in the National Phase-out Plan. This monitoring will also be subject to independent verification as described in paragraph 11:

- (a) Administration matters relating to the National Phase-out Plan;
- (b) Preparation of annual implementation programmes, based on the regional national phase-out plan to be prepared by the regional inspectors;
- (c) Co-ordination of all activities and actions identified in the National Phase-out Plan and the monitor of their implementation; and
- (d) Co-ordination with the National Ozone Unit concerning the preparation and submission of annual reports to the Multilateral Fund Secretariat on the progress

of implementation of the National Phase-out Plan and to the Ozone Secretariat on ODS consumption in Albania under Article 7 of the Montreal Protocol.

9. While the funding was determined on the basis of estimates of the needs of Albania to carry out its obligations under this Agreement, the Executive Committee agrees that Albania may have the flexibility to reallocate the funds agreed in principle, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations which are considered as major changes should be identified in annual implementation programmes, reviewed by the Executive Committee, and accounted for in the verification report.

10. Albania 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 fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency and UNEP has agreed to be the co-operating implementing agency under the lead of UNIDO.

11. Specifically, UNIDO will be responsible for carrying out the following activities:

- (a) Ensuring performance and financial verification in accordance with this Agreement and requirements as specified in the National Phase-out Plan;
- (b) Reporting annually on the implementation of the annual implementation programmes;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNIDO are carried-out by appropriate independent technical experts;
- (e) Assisting Albania in the preparation of annual implementation programmes, which will incorporate achievements of previous annual programmes;
- (f) Carrying-out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (h) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (i) Providing policy development assistance when required.

12. UNEP, as co-operating implementing agency, will be responsible for carrying out the following activities:

- (a) Assisting Albania in the implementation and verification of the activities under UNEP's responsibility;
- (b) Providing reports to UNIDO on these activities, for inclusion in consolidated reports;

- (c) Ensuring that disbursements are made to Albania based on agreed performance targets in the project and provisions in this Agreement; and
- (d) Providing policy development assistance when required.

13. The Executive Committee agrees, in principle, to provide UNIDO and UNEP with the agency support costs set out in Table 2.

14. Albania also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. Should Albania, for any reason, not meet the targets for the elimination of all ODSs or otherwise does not comply with this Agreement, then Albania agrees that it will not be entitled to the funding in accordance with the funding disbursement schedule indicated in Table 2. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding disbursement schedule determined by the Executive Committee after Albania has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of funding under the funding disbursement schedule.

15. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect any other related activities in Albania.

16. Albania will comply with any reasonable request of the Executive Committee and UNIDO to facilitate implementation of this Agreement. In particular, it will provide access by UNIDO and UNEP to information necessary to verify compliance with this Agreement.

17. 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.

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