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ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-second Meeting
Montreal, 29 March - 2 April 2004

**REPORT OF THE FORTY-SECOND MEETING OF THE EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL**

Corrigendum

This corrigendum is being issued to:

- **Replace** row 38 of Appendix 2-A in Annex XIII on page 5 **with** the following:

Year of plan	2004	2005	2006	2007	2008	2009	2010
38. Total agreed support cost	\$306,491	\$153,900	\$117,057	\$128,074	\$126,910	\$139,214	\$0

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.



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Introduction

1. The 42nd Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal from 29 March to 2 April 2004.
2. The Meeting was attended by representatives of the following countries members of the Executive Committee, in accordance with Decision XV/46 of the Fifteenth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Vice-Chair), Belgium, Canada, Hungary, Japan, the United Kingdom of Great Britain and Northern Ireland, and the United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Argentina (Chair), Bangladesh, China, Cuba, the Islamic Republic of Iran, Mauritius, and Niger.
3. In accordance with the decisions taken by the Executive Committee at its 2nd and 8th Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as an implementing agency and as the Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.

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4. The Executive Secretary and the Senior Scientific Officer of the Ozone Secretariat were present.
5. The Co-Chair of the Technology and Economic Assessment Panel (TEAP) and the President of the Implementation Committee were also present.
6. The Meeting was attended by representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, and ICF Consulting (consultant for the evaluation of the financial mechanism) as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The meeting was opened at 10.15 a.m. on Monday, 29 March 2004, by the Chair, Ms. Marcia Levaggi (Argentina), who welcomed the participants to Montreal.
8. In her opening remarks, the Chair also welcomed Ms. Maria Nolan on the occasion of her first meeting as Chief Officer of the Multilateral Fund Secretariat.
9. As the current meeting of the Executive Committee was the first in the year, it would thus focus strongly on financial and business planning. The Secretariat had prepared the financial planning document requested by the Executive Committee in Decision 41/81, and had also produced a new phase-out plan for the 2004-2006 triennium.
10. In the context of the renewed triennium plan, the Secretariat had indicated that a very large amount of ODS remained to be phased out from projects that had already been approved and were being implemented. It was thus clear that the Multilateral Fund was entering a phase in which the successful implementation of projects already approved was just as important as the approval of new ones.
11. She noted that the other important change of focus for the meeting concerned the organization of work and that, as the Executive Committee would not be making use of sub-committees, all of its business would be addressed in plenary session, apart from the work of the Subgroup on the Production Sector, which would continue unchanged.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

12. The Executive Committee agreed to include the issue of completed projects with balances under agenda item 6, Programme implementation, as well as a number of items under agenda item 15, Other matters.
13. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/42/1, as amended.

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Business planning:
 - (a) Strategic business planning (Decisions 41/80(e) and 41/81):
 - (i) Financial planning (including the funding window and status of forward commitments);
 - (ii) Three-year phase-out plan 2004-2006;
 - (b) Consolidated 2004-2006 business plan of the Multilateral Fund;
 - (c) 2004-2006 business plans:
 - (i) Bilateral agencies;
 - (ii) UNDP;
 - (iii) UNEP;
 - (iv) UNIDO;
 - (v) World Bank.
6. Programme implementation:
 - (a) Report on the intermediate evaluation of CFC production sector phase-out agreements;
 - (b) Report on the intermediate evaluation of the solvent sector phase-out plan in China;
 - (c) Report on implementation of approved projects with specific reporting requirements;
 - (d) Report on project cancellations;
 - (e) Project implementation delays;

- (f) Completed projects with balances.
7. Project proposals:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Work programmes for 2004:
 - (i) Amendments to UNEP's work programme for 2004;
 - (ii) UNDP's work programme for 2004;
 - (iii) UNIDO's work programme for 2004;
 - (iv) World Bank's work programme for 2004;
 - (d) Investment projects:
 - (i) Ongoing projects, including sector and national phase-out plans and refrigerant management plans;
 - (ii) New requests for funding.
 8. Reconciliation of the 2002 accounts of the Multilateral Fund (follow-up to Decision 41/10(b)).
 9. Service of the Treasurer (follow-up to Decision 41/3):
 - (a) New agreement between UNEP and the Executive Committee;
 - (b) Rate of return on UNEP's fund investments.
 10. Treatment/encashment of promissory notes (follow-up to Decision 41/4).
 11. Report on programme support costs of bilateral cooperation projects (Decision 41/94(c)).
 12. Country programmes.
 13. Terms of reference of the Executive Committee (follow-up to Decision 41/1).
 14. Report of the Executive Committee's Subgroup on the Production Sector.
 15. Other matters:
 - (a) Methyl bromide projects for early phase-out by Article 5 Parties;

- (b) Report by UNEP on consultations held pursuant to Decision 41/38;
 - (c) Dates and venues for the 43rd and 44th Meetings of the Executive Committee;
 - (d) Comments on the annotated provisional agenda and the structural organization of the meetings of the Executive Committee.
 - (e) Tribute to Mr. Heinrich Kraus.
16. Adoption of the report.
 17. Closure of the meeting.

(b) Organization of work

14. The Executive Committee agreed to follow its customary procedure.
15. The Executive Committee decided to reconstitute the Subgroup on the Production Sector with the following composition: Bangladesh, Canada (facilitator), China, Cuba, Japan, Mauritius, the United Kingdom, and the United States of America.

(Decision 42/1)

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

16. The Chief Officer, after welcoming participants to Montreal, outlined the Secretariat's activities since the 41st Meeting of the Executive Committee, including the missions she and the Secretariat staff had undertaken (UNEP/OzL.Pro/ExCom/42/2). The report of the 41st Meeting, containing the decisions of the Executive Committee, had been communicated to all Executive Committee members and other participants.
17. The Secretariat had reviewed 98 projects and activities from 54 countries to phase out a total of 12,763 ODP tonnes of controlled substances in the consumption sector and over 8,537 tonnes for CTC and CFC production in China, the Democratic People's Republic of Korea, India, and Mexico.
18. In relation to the issue of service of the Treasurer, the Secretariat had resubmitted a draft agreement to UNEP reflecting the Executive Committee decision on a fixed fee for five years and requesting UNEP to substantiate its fees and clarify the need for additional support staff.
19. The implementing agencies and the Fund Secretariat had held an inter-agency coordination meeting on 5 and 6 February 2004, which had focused on the outcome and decisions of the 41st Meeting of the Executive Committee and the 15th Meeting of the Parties and on the organization of the 42nd Meeting of the Executive Committee in view of the elimination of the two sub-committees.

20. In response to questions, the Chief Officer explained that the intention of a report on routine Secretariat activities was to keep the Executive Committee apprised of the work undertaken to implement its decisions, and that reporting on staff missions was necessary in the interests of accountability.

21. One representative urged that bilateral agencies be invited to inter-agency coordination meetings, and also expressed the hope that coordination between the Multilateral Fund Secretariat and the Ozone Secretariat would be strengthened, particularly in connection with compliance-related issues.

22. In response to a question regarding the discussion on assistance to South Africa at the Global Environment Facility (GEF) Council meeting in May 2004, the Executive Secretary of the Ozone Secretariat confirmed that the Ozone Secretariat would be represented at the forthcoming GEF Council meeting.

23. The Executive Committee took note with appreciation of the report on Secretariat activities.

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

24. The Treasurer introduced the report on the status of the Fund as at 26 March 2004 (UNEP/OzL.Pro/ExCom/42/3/Rev.1).

25. Taking into account the resource transfers covering all approvals by the Executive Committee, including those from its 41st Meeting, as well the gains/losses resulting from the use of the fixed-exchange-rate mechanism (FERM), the balance of the Multilateral Fund as of 26 March 2004 stood at US \$84,197,986. Clarification was given with respect to unused funds to the effect that amounts returned from completed and cancelled projects were offset against future approvals, thereby increasing the Fund balance by the same amount. The report contained all financial data received by the Treasurer as at 26 March 2004 and contributions received after that date would be reflected in the report of the 43rd Meeting of the Executive Committee.

26. On 26 March 2004, the percentage of payments in relation to pledged amounts for 2004 was 6.34 per cent, compared to zero for the same period the previous year.

27. One representative expressed satisfaction at the good financial situation of the Fund due to the application of the fixed-exchange-rate mechanism, but noted with concern the high amount of outstanding contributions from previous exercises. Other representatives noted with appreciation the updated information on status of payments provided by Parties during the Meeting.

28. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation the Treasurer's report, including the tables showing the updated status of the Fund as at 26 March 2004 and reproduced in Annex I to the present report;
- (b) Also to note the new information provided by the Treasurer on the gains and losses resulting from the fixed-exchange-rate mechanism;
- (c) To request the Treasurer to break down the information on gains and losses resulting from the fixed-exchange-rate mechanism by country and to include it in a separate column of the relevant table in future reports;
- (d) To note with appreciation the updated information on the status of payments provided by number of countries during the Meeting;
- (e) To urge those Parties that had not yet done so to make their contributions in a timely manner; and
- (f) To urge Parties with contributions that were long overdue to comply with paragraph 7 of Decision XI/7 of the Eleventh Meeting of the Parties.

(Decision 42/2)

AGENDA ITEM 5: BUSINESS PLANNING

- (a) Strategic business planning (Decisions 41/80(e) and 41/81):**
 - (i) Financial planning (including the funding window and status of forward commitments)**

29. The representative of the Secretariat introduced the document on financial planning, including the funding window for accelerated phase-out and maintaining momentum and status of forward commitments (UNEP/OzL.Pro/ExCom/42/4 and Corrs. 1 and 2), which provided guidance on the funding allocations for the remainder of the triennium, 2004 and 2005. The document set out the resources accruing to the Multilateral Fund from interest and other sources, remaining funds from the 2003 resource allocation and commitments and resources available for new activities during 2004-2005. It also indicated the amount that would be available in the funding window for accelerated phase-out/maintaining momentum, and raised the question of whether the window should be maintained or allowed to expire. Resources sufficed to cover all projects to achieve compliance with the 2005 and 2007 targets under the Protocol and to fund all of the projects in the agencies' business plans to accelerate phase-out and maintain momentum, with a surplus of approximately US \$13 million.

30. Concern was expressed that the apparent surplus might be offset by unpaid contributions, as some countries consistently failed to pay their pledges. The increased amount collected from interest and the resources available from returned funds were, however, expected to make up any

shortfall from those unpaid contributions. It was nevertheless important for Parties to pay their contributions in a timely manner.

31. It was suggested that, as there was a surplus, the funding window was no longer necessary. It would be far more useful for the Secretariat and the implementing agencies to assess countries' actual accelerated phase-out needs. Some representatives considered that the principles underlying the window were nonetheless useful and should be kept as a guide when considering how to prioritize projects to be financed from the window in the future.

32. Following the discussion, the Executive Committee decided:

- (a) To note the report on financial planning as contained in documents UNEP/OzL.Pro/ExCom/42/4 and Corrs.1 and 2;
- (b) To adopt a resource allocation of US \$237 million for 2004 and US \$178 million for 2005, with any remaining funds from 2004 to be allocated to 2005;
- (c) To note that all projects in the bilateral and implementing agencies' 2004 business plans for accelerating phase-out and maintaining momentum could be considered for funding in 2004;
- (d) To request the Secretariat, in consultation with bilateral and implementing agencies, to prepare a paper for submission to the 44th Meeting of the Executive Committee, analysing the potential need for projects to accelerate phase-out and maintain momentum, and to provide guidance on the need for a funding window to consider such projects; and
- (e) To consider at its 44th Meeting the possible need for a funding window to accelerate phase-out and maintain momentum, as well as any related criteria for the selection of projects to be funded through that window.

(Decision 42/3)

(ii) Three-year phase-out plan 2004-2006

33. The Executive Committee considered document UNEP/OzL.Pro/ExCom/42/5, which contained the model rolling three-year phase-out plan for the Multilateral Fund for the years 2004-2006. The representative of the Secretariat explained that the document provided an analysis of the amounts of ODS that needed to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 phase-out targets, plus partial phase-out of the remaining ODS consumption, towards achievement of the phase-out in 2010. The document also indicated the ODS to be phased out in Article 5 countries during the triennium in approved multiyear sectoral and national phase-out plans.

34. In response to questions on the figures for CTC in the model, the fluctuations in the reported production and consumption amounts, and the fact that some producer countries did not seem to be included, the representative of the Secretariat explained that the model had been

developed using data reported under Article 7 of the Protocol, but inadequate information meant that the data relating to CTC was particularly problematic.

35. It was suggested that the model rolling three-year phase-out plan should be considered merely as a reference as it was not yet sufficiently developed to serve as a guide.

36. In response to a question on the flexible use of the model three-year phase-out plan, the representative of the Secretariat explained that the model was flexible because the amounts calculated did not have to be accepted if the maximum residual amounts of ODS calculated by the model were higher than the actual eligible ODS consumption.

37. Following the discussion, the Executive Committee decided:

- (a) To note that the draft model three-year phase-out plan 2004-2006 presented in document UNEP/OzL.Pro/ExCom/42/5 had been used as the reference for the preparation of the 2004-2006 business plans of the implementing agencies;
- (b) To adopt the model three-year phase-out plan 2004-2006 as a reference for resource planning for the corresponding triennium;
- (c) To urge Article 5 countries with projects approved but not implemented and the cooperating implementing and bilateral agencies to accelerate the pace of implementation during the 2004-2006 triennium; and
- (d) To request the Secretariat to present an updated model three-year rolling phase-out plan for the years 2005-2007 to the first meeting of the Executive Committee in 2005 in order to provide guidance, as appropriate, for the preparation of the 2005-2007 business plan of the Multilateral Fund.

(Decision 42/4)

(b) Consolidated 2004-2006 business plan of the Multilateral Fund

38. The representative of the Secretariat introduced the documents on the consolidated 2004-2006 business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/42/6 and Corr.1), which consolidated the implementing and bilateral agencies' 2004-2006 business plans and included the recommendations of the Fund Secretariat. He indicated that the business plans addressed all of the phase-out needs identified in the three-year plan in order to enable Article 5 countries to achieve their control measures up to and including those for 2007. Recalling that Decision 41/93 had established a new set of performance indicators, he said that the World Bank and UNEP had proposed new indicators for their business plans.

39. Questions were raised concerning the utility of some of the indicators, which were not qualitative measures of performance. The representative of the World Bank explained that the proposed indicators were an attempt to better evaluate the tasks involved and to ensure the involvement of Parties in the light of the new country-driven approach.

40. Following the discussion, the Executive Committee decided:

- (a) To note the consolidated 2004-2006 business plan of the Multilateral Fund as contained in UNEP/OzL.Pro/ExCom/42/6 and Corr.1;
- (b) To invite Executive Committee members to submit proposals on qualitative performance indicators to the Secretariat by 31 July 2004;
- (c) To request the implementing agencies and the Secretariat to consider further the proposals on qualitative performance indicators, taking into account any proposals received from Executive Committee members, and to report thereon to the 44th Meeting of the Executive Committee; and
- (d) Also to request the Secretariat to present the development over time of the performance indicators for each implementing agency, in the consolidated business plan, to enable comparison and evaluation of their performances.

(Decision 42/5)

(c) 2004-2006 business plans:

(i) Bilateral agencies

41. The representative of the Secretariat introduced the document on business plans for bilateral agencies for the years 2004-2006 (UNEP/OzL.Pro/ExCom/42/7). The Governments of Canada, the Czech Republic, Germany, Hungary, Italy, Japan, the Slovak Republic, Sweden, Switzerland and the United States of America had provided information on their 2004-2006 planned bilateral activities.

42. The representative of Hungary announced that Hungary was withdrawing its business plan, which included funding for the European Network as UNEP had incorporated the network into its funding requests for its Compliance Assistance Programme (CAP).

43. The representative of Japan indicated that the Government of Japan would consult with the implementing agencies concerned in order to avoid any overlap with their activities when formulating the project for assistance in the implementation of strategic planning in Indonesia, and that the proposed UNEP supplementary training programme would further strengthen Japan International Cooperation Agency's training programme, which had successfully contributed to the training of many competent ozone officers in Article 5 countries in terms of transfer of technology from Japan to those countries and had reinforced networking between Japan and Article 5 countries.

44. The representative of the United Kingdom said that the four projects whose removal from Germany's business plan had been suggested, - methyl bromide in the medicinal herb sector in China, refrigeration in Lebanon, methyl bromide in soil fumigation in the Syrian Arab Republic, and strategy for managing HCFCs in China - should be retained, on the understanding that they would be put on hold in favour of projects focusing on compliance rather than accelerating

phase-out, if necessary to avoid exceeding the 20 per cent of contribution limit. Germany had already entered into discussions with implementing and other bilateral agencies with a view to having some of the projects in its business plan taken over in the event that Germany was unable to provide funding for them.

45. Having considered the planned window activities, the funding of the European Network of the CAP and possible project overlaps and activities outside the three-year phase-out plan and window, the Executive Committee decided:

- (a) To note with appreciation the business plans and letters on bilateral cooperation submitted by: Canada, the Czech Republic, Germany, Italy, Japan, the Slovak Republic, Sweden, Switzerland and the United States of America as addressed in document UNEP/OzL.Pro/ExCom/42/7;
- (b) Also to note the withdrawal by Hungary of its business plan, which included funding for the European Network;
- (c) To note with appreciation the significant support for the European Network provided by the Czech Republic, Hungary and the Slovak Republic;
- (d) To request the Czech Republic and the Slovak Republic to withdraw their business plans, which included funding for the European Network, as UNEP had incorporated the Network into its funding requests for its Compliance Assistance Programme (CAP);
- (e) Further to note the statement made by the representative of Japan with respect to the activities proposed and to maintain them in the business plan of Japan; and
- (f) In the case of multiyear projects which would result in forward commitments into the next replenishment period, to request bilateral agencies to establish arrangements such as agreements with other implementing and bilateral agencies that were in a position to do so, which would ensure that the project received the full funding approved.

(Decision 42/6)

46. On the issue of the priority for funding a study on HCFC use in China, the representative of the United Kingdom stated that a policy paper would help to clarify the German Government's understanding of how the study should be reformulated (see also paragraphs 73 and 76 of the present report).

47. Noting that a number of representatives had expressed differing views on the eligibility of funding HCFC phase-out management studies by the Multilateral Fund, the Executive Committee decided:

- (a) To request the Government of Germany to take into account the views expressed on the eligibility of funding HCFC phase-out management studies by the

Multilateral Fund at the 42nd Meeting of the Executive Committee, in the informal group meeting and, in addition, further submissions of additional ideas and opinions sent by e-mail to GTZ-Proklima, as the German bilateral implementing agency, provided that they were received 10 weeks prior to the 43rd Meeting of the Executive Committee; and

- (b) Also to request the Government of Germany to circulate to the Executive Committee, through the United Kingdom delegation, a policy paper on the issues of the responsibility of the Multilateral Fund and potential eligibility requirements for such a study and to reformulate the project proposal for submission and consideration at the 43rd Meeting of the Executive Committee on that basis.

(Decision 42/7)

(ii) UNDP

48. The representative of the Secretariat presented UNDP's business plan for the years 2004-2006 (UNEP/OzL.Pro/ExCom/42/8 and Corr.1). He indicated that the second performance indicator in Table 1 of the document and the number of individual projects/activities approved should be revised from 35 to 32 because some 2004 projects had been completed in 2003.

49. The representative of UNDP said that, at the request of the Government of Cuba, it wished to add a project for Cuba to its business plan.

50. After discussion on the planned window activities and the performance indicators, the Executive Committee decided:

- (a) To endorse the 2004-2006 business plan of UNDP, as contained in documents UNEP/OzL.Pro/ExCom/42/8 and Corr.1 and as orally amended to include a possible project for Cuba, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels; and
- (b) To approve the performance indicators for UNDP, as contained in Annex II to the present report.

(Decision 42/8)

(iii) UNEP

51. The representative of the Secretariat introduced UNEP's business plan for the years 2004-2006 (UNEP/OzL.Pro/ExCom/42/9), stressing that where there was apparent overlap UNEP was in fact supporting other implementing and bilateral agencies. The planned multiyear solvent sector project in India, had been withdrawn as it had been included in error and the Executive Committee should decide if the project valued at US \$226,000 for technical assistance for harmonization of legislation in Africa should be considered. On the other hand, the farmer field school budget both globally and in the Caribbean should remain because the Executive

Committee had itself invited UNEP to submit a request for funding for that activity at its 41st Meeting. Three projects in Bangladesh had been inadvertently omitted. In response to comments made on the business plan, he emphasized that UNEP gave priority to projects aimed at ensuring compliance over projects to accelerate phase-out.

52. After discussion on the planned window activities, the possible overlaps of projects and the supplementary CAP activities, the Executive Committee decided:

- (a) To endorse the 2004-2006 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/42/9 and as orally amended to include the projects already submitted for Bangladesh and a non-governmental organization methyl bromide project, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels; and
- (b) To approve the performance indicators for UNEP, as contained in Annex III to the present report.

(Decision 42/9)

(iv) UNIDO

53. The representative of the Secretariat introduced UNIDO's business plan for 2004–2006 (UNEP/OzL.Pro/ExCom/42/10 and Corrs.1 and 2), indicating that the methyl bromide project in Viet Nam had been withdrawn. A phase-out plan for CFCs and other ODS in Serbia and Montenegro had been brought forward from 2005 and added to the window projects listed in the table under paragraph 5 of the main document. It was clarified that the metered dose inhaler (MDI) projects in China were being funded by UNIDO and should be distinguished from a project on medical aerosols for external use, which was being funded by the World Bank. At the request of the Government of China, the phase-out associated with the refrigerant management plan (RMP) project in China should be prepared by UNIDO as lead implementing agency and Japan as cooperating implementing agency for the phase-out of 1,436 ODP tonnes of ODSs.

54. After discussion on the planned window activities, the overlaps of planned activities and the performance indicators, the Executive Committee decided:

- (a) To endorse the 2004-2006 business plan of UNIDO, as contained in documents UNEP/OzL.Pro/ExCom/42/10 and Corrs.1 and 2 and as orally amended, to bring forward the Serbia and Montenegro project from 2005, modify the phase-out in the MDI and RMP projects in China and remove the methyl bromide project in Viet Nam, taking into account the clarification provided by the representative of UNIDO, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels; and
- (b) To approve the performance indicators for UNIDO, as contained in Annex IV to the present report.

(Decision 42/10)

(v) World Bank

55. The representative of the Secretariat presented the World Bank's business plan for 2004-2006 (UNEP/OzL.Pro/ExCom/42/11 and Corrs.1 and 2). He announced that the planned chiller projects in Mexico and Argentina had been withdrawn as agreement had been reached with UNIDO and the Governments concerned that the projects would be subsumed into their national implementation plans.

56. After discussion of the possible window projects and the possible overlaps of projects, the Executive Committee decided:

- (a) To endorse the 2004-2006 business plan of the World Bank, as contained in documents UNEP/OzL.Pro/ExCom/42/11 and Corrs. 1 and 2, with the withdrawal of planned chiller projects in Argentina and Mexico, whose implementation by the World Bank would be subsumed into those countries' national implementation plans, as well as the withdrawal of the accelerated CTC production phase-out project in China, while noting that endorsement did not denote approval of the projects identified therein nor their funding levels; and
- (b) To approve the performance indicators for the World Bank, as contained in Annex V to the present report.

(Decision 42/11)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) Report on the intermediate evaluation of CFC production sector phase-out agreements

57. The Executive Committee considered the report on the intermediate evaluation of CFC production sector phase-out agreements (UNEP/OzL.Pro/ExCom/42/12), which presented the findings and recommendations resulting from the evaluation missions to China, the Democratic People's Republic of Korea, and India in January 2004.

58. The Senior Monitoring and Evaluation Officer explained that the phase-out of CFC production in those countries was generally proceeding according to the schedules indicated in the respective agreements and that the sector approach adopted by the Executive Committee had worked well. He indicated, however, that in the case of China the planning and verification of CFC production had always been calculated in ODP tonnes even though the agreement had stipulated metric tonnes. He also said that in India, although CFC production had stayed under the maximum allowable level when measured in terms of net saleable production, it had been slightly above the maximum in terms of gross production. Furthermore, for both China and India, CFC production data reported under Article 7 sometimes differed from the data in the verification reports. Nevertheless, the process of phase-out seemed to be sustainable and on track to achieve the full elimination of CFC production planned for the end of 2009.

59. The representative of the World Bank clarified that the discrepancies between the CFC production data reported under Article 7 and the verification reports could be explained by the fact that the verification reports did not differentiate between Annex A Group I and Annex B Group I to the Montreal Protocol. As the concept of net production may have been used to calculate the baseline for India, it was important to verify the effects before changing to the concept of gross production.

60. During the ensuing discussion, it was stated that gross production reflected more accurately the amount of CFCs produced. Moreover, use of the concept of net saleable production gave no incentive to CFC producers to reduce significant filling losses, which were released into the atmosphere. Clarification was sought on the use of the word “global” when referring to the funding of market research on alternatives to CTC and CFCs.

61. The representative of the Secretariat said that the discrepancies between CFC production data reported under Article 7 and in the verification reports were only partly due to the aggregation of Annex A Group I and Annex B Group I data in the verification reports. The aim of the research into the evolution of global markets for alternatives to CTC and CFCs was to provide beneficiary companies with supplementary information not easily available to them.

62. After discussing the production sector phase-out results planned and achieved, the measurements in metric and ODP tonnes and gross versus net saleable production, the discrepancies between CFC-production data reported under Article 7 and in the verification reports, capacity development and awareness-building, the support extended for the development and production of substitutes for CFCs, prices and supply/demand for CFCs and substitutes, linkages to the illegal trade in CFCs, and the national and international audits and their focus, methods and schedules, the Executive Committee decided:

- (a) To take note of the findings and recommendations in document UNEP/OzL.Pro/ExCom/42/12;
- (b) To clarify that, although the phase-out agreement defines the maximum allowable CFC production in China in metric tonnes (MT), this production should continue to be planned and verified in ODP tonnes, as calculated in the original sector plan and the subsequent annual work programmes and verification reports;
- (c) To request the Government of India, in cooperation with the World Bank, to plan and verify allowable CFC production in India as so-called gross production, to review the calculations made to establish the baseline for the agreement, and to report to the 43rd Meeting of the Executive Committee on their findings;
- (d) To request the Governments of China and India to clarify, in cooperation with the Ozone Secretariat, the World Bank and the Fund Secretariat, differences in CFC production data reported under Article 7 to the Ozone Secretariat and in the verification reports;

- (e) To request the Secretariat, in cooperation with the World Bank and UNIDO, to review the verification guidelines adopted by the 32nd Meeting of the Executive Committee, with respect to the following:
 - (i) How to include movements of CTC to and from CFC producers and internal transfers of CTC in CFC-producing companies in the verification reports, annual progress reports and work programmes, in view of the intense pressure on CTC management in the enterprises as a result of the phase-out of CFC-11 and CFC-12;
 - (ii) For countries with CFC and CTC production sector phase-out agreements (China and India), the verification missions should be closely coordinated and possibly be merged;
 - (iii) Where plants co-produce CFC-11 and CFC-12, it might be necessary to determine whether the practice of counting unit ratios of CTC and AHF and comparing them with previous years was needed;
 - (iv) Whether the inspection and verification of the daily log books should continue to serve mainly as a back-up to clarify inconsistencies observed;
 - (v) Whether reported measurements of CFC production should be rounded to the nearest 100 kg and then compared to the more accurate financial and sales records;
- (f) To request the World Bank and the Governments of China and India to revise the presentation of technical assistance activities in future annual reports and work programmes for the CFC production sector by:
 - (i) Showing separately activities to maintain the national administrative infrastructure to manage the process, activities for awareness-building, and technical advice of direct interest to the enterprises (either individually or collectively);
 - (ii) Specifying clearly the objectives, related outputs and inputs including planned and actual expenditures; and
- (g) To recommend that the Governments of China and India, in cooperation with the World Bank, consider the recommendations presented in paragraphs 14 and 15 of document UNEP/OzL.Pro/ExCom/42/12, amending subparagraph 15(b) to read as follows: “(b) Conducting market research into the evolution of global markets for products made using CTC as feedstock to complement the research efforts and guide the investment of enterprises taking into consideration all environmental effects of manufacturing such end-products, including interlinkages between ozone layer depletion and climate change”.

(Decision 42/12)

(b) Report on the intermediate evaluation of the solvent sector phase-out plan in China

63. The Executive Committee considered the report on the intermediate evaluation of the solvent sector phase-out plan in China (UNEP/OzL.Pro/ExCom/42/13), which presented the findings and recommendations resulting from the evaluation missions to China in November 2003 and January 2004. During his presentation, the Senior Monitoring and Evaluation Officer described phase-out results planned and achieved at the level of projects and national consumption, the link to the production sector phase-out of CFC-113 and CTC and its monitoring, the duration of conversion contracts, causes of delays and suggested remedies, the innovative phase-out contracts developed to convert numerous small solvent users, and the need for further development of the technical support system.

64. Following clarification of the rationale for recommending a shift of emphasis from auditing every beneficiary enterprise to auditing a sample of enterprises and verifying national production, consumption and import figures, and the need to gather more data on CTC and 1,1,1, trichloroethane (TCA), the Executive Committee decided:

- (a) To take note of the information provided in document UNEP/OzL.Pro/ExCom/42/13; and
- (b) To recommend that the Government of China, in cooperation with UNDP, consider the recommendations presented in paragraph 13 of document UNEP/OzL.Pro/ExCom/42/13.

(Decision 42/13)

(c) Report on implementation of approved projects with specific reporting requirements

65. The Executive Committee considered the report on implementation of approved projects with specific reporting requirements (UNEP/OzL.Pro/ExCom/42/14 and Corr.1), which included progress reports on the implementation of the methyl bromide projects in Guatemala and Honduras. The representative of the Secretariat indicated that, at their Fifteenth Meeting, the Parties had approved action plans for Guatemala and Honduras containing proposed reductions in consumption of methyl bromide so as to enable those countries to return to compliance. The phase-out schedule in each of the action plans differed from the schedule contained in the relevant project approved by the Executive Committee. In each case, the revised schedules extended the phase-out over a longer period.

66. Following a discussion in which it was pointed out that the proposed reduction levels presented by both countries were in fact higher than the levels adopted by the Meeting of the Parties, and in the light of the clarification provided by the Secretariat, the Executive Committee decided:

- (a) To adopt the following modification to the methyl bromide phase-out schedule for Guatemala as proposed in Decision 38/42(b): the phase-out schedule would

achieve a total reduction in consumption of 502.6 ODP tonnes by 2008; of that amount, 100 ODP tonnes would be reduced by non-Article 5 companies. Furthermore, 181.4 ODP tonnes would be reduced in 2003, 36 ODP tonnes in 2004, 132 ODP tonnes in 2005, 25 ODP tonnes in 2006, 25 ODP tonnes in 2007, and an additional 24 ODP tonnes in 2008, in order to enable Guatemala to meet the methyl bromide freeze and the 20 per cent reduction targets in 2005 and 2007, respectively;

- (b) To note that the phase-out of methyl bromide in Guatemala would be achieved within the funding level approved by the Executive Committee at its 38th Meeting, and to commend the Government of Guatemala for its efforts in that regard; and
- (c) To adopt the following modification to the methyl bromide phase-out schedule for Honduras as proposed in Decision 37/50: the phase-out schedule would achieve a total reduction in consumption of 213 ODP tonnes by the end of 2005. Furthermore, 42.5 ODP tonnes would be reduced in the calendar year 2003, 63.9 ODP tonnes in 2004 and an additional 106.6 ODP tonnes in 2005, in order to enable Honduras to meet the methyl bromide freeze and the 20 per cent reduction target by the end of 2005.

(Decision 42/14)

(d) Report on project cancellations

and

(e) Project implementation delays

67. The Executive Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/42/15), and a report on the outcome of meetings organized by UNDP to attempt to resolve the implementation delays in the liquid carbon dioxide (LCD) projects in Morocco (UNEP/OzL.Pro/ExCom/42/15/Add.1), presented by the Secretariat.

68. The Secretariat and the implementing agencies provided clarification on projects pending a report on the achievement of milestones and resulting automatic cancellations, together with projects where agencies and the Secretariat disagreed on assessment of some progress, and the impact of cancelled and delayed projects on compliance.

69. In relation to the LCD projects in Morocco, the Executive Committee also considered whether the deadlock between the enterprises involved and the technology provider could be broken so as to give the projects a final chance of being implemented.

70. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation the reports submitted to the Secretariat on projects with implementation delays provided by Belgium, Canada, Germany and the four

implementing agencies, as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/42/15);

- (b) To request the Government of France to provide reports on the projects classified with implementation delays as a matter of urgency;
- (c) To note that the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and implementing agencies as required;
- (d) To adopt the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestone
IBRD	CPR/FOA/20/INV/179	Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Chengdu Plastics No. 7	Equipment installation by September 2004
IBRD	CPR/FOA/27/INV/277	Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology at Jiangsu Haimen Foam plant	Equipment installation by April 2004
IBRD	CPR/FOA/27/INV/281	Conversion of polyurethane slabstock manufacture from CFC-11 to liquid carbon dioxide technology in Putuo Zhujiajian Rubber and Plastic Plant	Equipment installation by April 2004
UNDP	CPR/FOA/28/INV/291	Phase-out of CFC-11 by conversion to n-pentane technology in the manufacture of rigid polyurethane insulation foam at Suzhou Purification Equipment Factory	Project completion by the 43rd Meeting of the Executive Committee
UNDP	URT/FOA/26/INV/11	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Pan Africa Enterprises Ltd.	Final inspection by the 43rd Meeting of the Executive Committee
UNDP	URT/FOA/31/INV/13	Phase-out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at Plyfoam Limited	Final inspection by the 43rd Meeting of the Executive Committee

- (e) To note the completion of the following projects reported during the Meeting, in addition to the 20 projects reported in the document on implementation delays presented by the Secretariat:
 - (i) Preparation of an inventory and assessment of environmentally-sound and economically-viable technologies and know-how conducive to phase-out of ODS (GLO/SEV/19/TAS/106), implemented by UNEP;
 - (ii) Phase-out of the remaining ODS consumption in the foam sector (11 enterprises) (EGY/FOA/22/INV/64), implemented by UNDP;

- (f) Also to note that the project for training modules on management of ODS phase-out in small and medium enterprises (SMEs) (GLO/SEV/19/TAS/112), implemented by UNEP, would be completed by 1 April 2005;
- (g) Further to note that the milestones had been met and therefore progress had been made on the following projects:
 - (i) Elimination of CFCs in the manufacture of commercial refrigeration equipment at Refrigeration Components and Accessories (IND/REF/22/INV/110), implemented by the World Bank;
 - (ii) Elimination of CFCs in the manufacture of commercial refrigeration equipment at Hindustan Refrigeration Industries (IND/REF/22/INV/123), implemented by the World Bank;
 - (iii) Elimination of CFCs in the manufacture of commercial refrigeration equipment at Refrigerators and Home Appliances P. Ltd. (IND/REF/22/INV/124), implemented by the World Bank;
- (h) To note the automatic cancellation of the following projects:
 - (i) The Chandra refrigeration project in India (IND/REF/19/INV/92), where US \$66,787 had been disbursed of the US \$130,984 approved for the project and 4.8 ODP tonnes had been assigned as phase-out pursuant to Decision 39/13(b);
 - (ii) The conversion from CFC-11 to HCFC-141b technology in the manufacture of rigid polyurethane foam at Quimica Andina (BOL/FOA/28/INV/10) with no phase-out; and
- (i) With regard to the Moroccan LCD projects:
 - (i) To note with appreciation the efforts made by UNDP, the Secretariat, the Ministry of Industries, Commerce and Telecommunications (MICT) and all other stakeholders in trying to reach an agreement;
 - (ii) To take note of the report of UNDP against the background of the information provided in paragraphs 12 (bis) to 12 (quin) of document UNEP/OzL.Pro/ExCom/42/15/Add.1;
 - (iii) That the proposed agreement mentioned in paragraph 12 (qua) of document UNEP/OzL.Pro/ExCom/42/15/Add.1 could be considered on an exceptional basis as a suitable way of continuing the implementation of the projects, on condition that each company signed the agreement by 15 April 2004;
 - (iv) To request the Chief Officer to send a letter to the Government of Morocco notifying it of the need to implement the projects;

- (v) That, in the event the agreement remained unsigned by any or all of the companies by 15 April 2004, the projects would automatically be cancelled;
- (vi) To request UNDP to submit a status report with the necessary explanations to the Executive Committee at its 43rd Meeting.

(Decision 42/15)

(f) Completed projects with balances

71. In response to questions concerning the information on financial adjustments in Annex I to the report on Secretariat activities (UNEP/OzL.Pro/ExCom/42/2), the representative of the Secretariat provided some further clarifications.

72. After considering issues raised with regard to unobligated balances and the return of funds from ongoing projects, the Executive Committee decided:

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

(Decision 42/16)

AGENDA ITEM 7: PROJECT PROPOSALS

(a) Overview of issues identified during project review

73. The representative of the Secretariat introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/42/16 and Corr.1) and explained that it presented two issues of policy, as well as a list of projects and activities for blanket approval. The first policy issue concerned the funding of a study on HCFC use in China, requested by the Government of Germany, with a view to developing a strategy for the long-term management of HCFCs in China. No such project had as yet been approved; Multilateral Fund policy specifically excluded funding second-stage industrial conversions from HCFCs to non-ODS substances and the "Assessment of the funding requirement for the replenishment of the Multilateral Fund for the

period 2003-2005” of the Technology and Economic Assessment Panel did not include funding for HCFC-related activities.

74. The second policy issue was that a number of countries for which institutional strengthening requests had been submitted to the 42nd Meeting had been found to be in non-compliance or at risk of becoming so because they had failed to report any data in one or more of the reporting categories or years. In view of the urgent requirement for countries to minimize or eliminate non-compliance, it remained of the highest priority to ensure that examples arising from a lack of fulfilment of reporting obligations were prevented.

75. Finally, the representative of the Secretariat indicated that Annex I to the document contained the list of projects and activities recommended for blanket approval. Subject to any issues raised by Executive Committee members on individual projects or activities, the Executive Committee might wish to approve the blanket approval list.

Priority for funding a study on HCFC use in China (paragraph 5 of UNEP/OzL.Pro/ExCom/42/16)

76. Although some representatives expressed concern that the proposal as submitted did not currently qualify for funding under the rules of the Fund and that its approval might be seen as a precedent for the approval of similar projects, others felt that the study could provide useful information to help both China and other Article 5 countries manage the use of HCFCs. It was noted that, as the use of HCFCs would have to be phased out, it was important to study the options for domestic policies that would assist countries to do so.

77. The Executive Committee’s Decision on this policy issue is contained in paragraph 47 of the present report.

Support for data reporting in Article 5 countries (paragraphs 7 and 8 of UNEP/OzL.Pro/ExCom/42/16)

78. Following a discussion, the Executive Committee decided to urge implementing and bilateral agencies to provide all assistance possible to countries for which they were implementing institutional strengthening projects in order to eliminate instances of non-reporting of data.

(Decision 42/17)

Approval of projects and activities in the blanket approval list

79. The Executive Committee considered the list of projects and activities for blanket approval contained in Annex I to documents UNEP/OzL.Pro/ExCom/42/16 and Corr.1, including projects submitted as bilateral cooperation, projects submitted under the work programmes or work programme amendments of implementing agencies and investment projects.

80. The representative of UNIDO advised that it was withdrawing a halon project for the Libyan Arab Jamahiriya at the request of the Government as the relevant data had not yet been fully verified.

81. Following a discussion, the Executive Committee decided to approve the projects submitted for blanket approval listed in Annex I to documents UNEP/OzL.Pro/ExCom/42/16 and Corr.1, as amended by withdrawal of the halon project for the Libyan Arab Jamahiriya, at the level of funding indicated in Annex VI to the present report, with the conditions or provisos included in the corresponding project evaluation sheets, also indicated in Annex VI. For projects for the renewal of the institutional strengthening projects, blanket approval included approval of the observations to be communicated to recipient governments indicated in Annex VII to the present report. Specific references were made to the following projects as indicated below.

(Decision 42/18)

Bangladesh: National ODS phase-out plan (first tranche) (UNDP and UNEP)
(UNEP/OzL.Pro/ExCom/42/25)

82. The Executive Committee decided:

- (a) To approve, in principle, the project proposal for a national ODS phase-out plan for Bangladesh at a total level of funding of US \$1,355,000 plus US \$119,775 in agency support costs;
- (b) Also to approve the agreement between the Government of Bangladesh and the Executive Committee contained in Annex VIII to the present report; and
- (c) Further to approve a first tranche of US \$155,000 plus support costs of US \$11,625 for UNDP and US \$90,500 plus support costs of US \$11,765 for UNEP for the first annual implementation programme.

(Decision 42/19)

Jamaica: Technical assistance umbrella project to phase out ODS solvent use (UNDP)
(UNEP/OzL.Pro/ExCom/42/16)

83. The Executive Committee decided to approve the above project at a total level of funding of US \$25,000 and US \$2,250 in agency support costs for UNDP, on the understanding that the Government of Jamaica would not seek additional funding for phase-out of ODS in the solvent sector.

(Decision 42/20)

(b) Bilateral cooperation

84. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/41/17, which contained 15 requests for bilateral cooperation submitted by the Governments of Canada, France,

Germany, Japan, Spain, Sweden, and Switzerland. The representative of the Secretariat pointed out that one project was already included in the blanket approval list considered under agenda item 7(a), one project had been withdrawn, the Executive Committee had already decided to defer consideration of the project proposal on development of a suitable strategy for the long-term management of HCFCs in China (see Decision 42/7), and 12 projects and activities would be considered under agenda item 7(d).

85. One representative suggested that, as such projects and activities would be considered under the heading of Investment projects, the present agenda item could be eliminated from future Executive Committee meetings.

86. At the conclusion of its discussions on the agenda item, the Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 42nd Meeting, as follows:

- (a) US \$214,700 against the balance of Canada's bilateral contributions for 2004;
- (b) US \$1,085,000 against the balance of France's bilateral contributions for 2004;
- (c) US \$1,866,181 against the balance of Germany's bilateral contributions for 2004, and US \$918,527 against the balance for 2005 after taking into account net adjustments amounting to a total of US \$15,339 to account for Decision 39/14 not previously accounted for and Decisions 40/9 and 40/24 that were accounted for twice;
- (d) US \$2,780,000 against the balance of Japan's bilateral contributions for 2004;
- (e) US \$795,841 against the balance of Spain's bilateral contributions for 2004;
- (f) US \$26,553 against the balance of Sweden's bilateral contributions for 2004; and
- (g) US \$398,913 against the balance of Switzerland's bilateral contributions for 2004.

(Decision 42/21)

(c) Work programmes for 2004:

(i) Amendments to UNEP's work programme for 2004

87. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/42/18 and Add.1 containing UNEP's work programme amendments. The representative of the Secretariat indicated that eight activities for blanket approval had already been considered under agenda item 7(a). The Executive Committee considered the remaining five items in UNEP's 2004 work programme amendments separately, as indicated below.

Barbados (phase III): Renewal of institutional strengthening project

Dominica (phase II): Renewal of institutional strengthening project

Saint Kitts and Nevis (phase II): Renewal of institutional strengthening project

Saint Vincent and the Grenadines (phase II): Renewal of institutional strengthening project

88. The representative of the Secretariat also pointed out that the Governments of Barbados, Dominica, Saint Kitts and Nevis, and Saint Vincent and the Grenadines, which had submitted requests for renewal of institutional strengthening projects, were in actual or potential non-compliance with the Montreal Protocol because they had failed to report under Article 7 any data in one or more of the reporting categories or years.

89. Several representatives pointed out that the amounts of money being requested were not sufficient to fund even a half-time national ozone officer in those countries. It was also noted that there was a high turnover of ozone officers in the region, with the incoming ones needing time to master the task.

90. Following a discussion, the Executive Committee decided:

- (a) To approve the renewal of the institutional strengthening projects for Barbados, Dominica, Saint Kitts and Nevis, and Saint Vincent and the Grenadines for one year only, at the level of funding indicated in Annex VI to the present report, on the understanding that the approvals were without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance, and to express to the Governments concerned the views contained in Annex VII to the present report; and
- (b) To request the Secretariat, in consultation with relevant bilateral and implementing agencies, to prepare a document for consideration at its 43rd Meeting on the potential implications of subsequently increasing the amounts approved for institutional strengthening projects, paying particular attention to the question of how many similar cases might be involved, indicating the problems faced by ozone units in very-low-volume-consuming-countries and the options for ensuring adequate capacity, including increased funding.

(Decision 42/22)

Bahamas (phase II, second year): Renewal of institutional strengthening project

91. The representative of the Secretariat pointed out that, in 2002, the Government of Bahamas had reported CFC consumption of 55.0 ODP tonnes, which was below its CFC baseline (64.9 ODP tonnes) and that the agreement between the Government of Bahamas and the World Bank on the terminal phase-out management plan had been signed in November 2003.

92. Following a discussion, the Executive Committee decided to approve the renewal of the institutional strengthening project for Bahamas for the second year of the phase II project, at the level of funding indicated in Annex VI to the present report.

(Decision 42/23)

(ii) UNDP's work programme for 2004

93. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/42/19, containing UNDP's work programme for 2004, which included requests for funding of 17 activities. The representative of the Secretariat said that 16 of those activities had been considered for blanket approval under agenda item 7(a). The remaining item, a technical assistance project for Jamaica, had been included for individual consideration inadvertently. The activity was also included in the list of projects and activities for blanket approval and had therefore already been approved (see paragraphs 81 and 83). No further action was required under the present agenda item.

(iii) UNIDO's work programme for 2004

94. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/42/20, containing UNIDO's work programme for 2004, which included requests for the funding of three activities that had been recommended for blanket approval and considered under agenda item 7(a). No further action was required under the present agenda item.

(iv) World Bank's work programme for 2004

95. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/42/21, containing the World Bank's work programme for 2004, which included requests for the funding of four activities. Three of those activities had been recommended for blanket approval and considered under agenda item 7(a), while the fourth item was considered separately, as indicated below.

Philippines: Renewal of institutional strengthening project: phase IV

96. The representative of the Secretariat indicated that the Philippines was in non-compliance with control measures under the Montreal Protocol as its 2002 consumption of methyl bromide had been above the freeze level. Funding for the preparation of a methyl bromide phase-out plan in the Philippines had been approved at the 39th Meeting of the Executive Committee and the World Bank had included a phase-out plan for the Philippines in its 2004–2006 business plan. The Secretariat recommended that, in line with past practice in such cases, institutional strengthening should be approved for one year only rather than the customary two.

97. The Executive Committee decided to approve the renewal of the institutional strengthening project for the Philippines for one year only, at the level of funding indicated in Annex VI to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance, and to

express to the Government of the Philippines the views contained in Annex VII to the present report.

(Decision 42/24)

(d) Investment projects:

- (i) Ongoing projects, including sector and national phase-out plans and refrigerant management plans**
- (ii) New requests for funding**

98. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/42/22/Rev.2, which contained in its tables A and B a list of sixteen projects for individual consideration, which were considered separately, as indicated below.

Argentina: National CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/42/24 and Corr.1)

99. The representative of the Secretariat indicated that a similar project addressing only the refrigeration sector had been submitted to the 41st Meeting. The project had been deferred, however, to enable it to be reformulated as a national CFC phase-out plan and to ensure consistency with the agreement already approved for the production sector. Accordingly, UNIDO had resubmitted the project together with a revised draft agreement between the Government of Argentina and the Executive Committee reflecting the phase-out of all CFCs except 159 ODP tonnes used for metered-dose inhalers. The agreement included provision for stockpiling consistent with the production sector agreement and to address demand in the refrigeration sector after 2010. The cost of the project was based on the costs agreed between the Secretariat and UNIDO before the 41st Meeting, but did not include costs for phasing out metered-dose inhalers, for which funding would be requested in the future by the World Bank.

100. The Executive Committee decided:

- (a) To approve, in principle, the project proposal for a national phase-out plan for Argentina at a total level of funding of US \$7,360,850 plus agency support costs of US \$552,064 for UNIDO;
- (b) Also to approve the agreement between the Government of Argentina and the Executive Committee contained in Annex IX to the present report; and
- (c) Further to approve US \$2,740,000 plus support costs of US \$205,500 for UNIDO for the implementation of the first tranche of the national phase-out plan.

(Decision 42/25)

Côte d'Ivoire: Phase-out of the use of methyl bromide commodities and storage fumigation (UNIDO) (UNEP/OzL.Pro/ExCom/42/30)

101. The representative of the Secretariat indicated that the project was for the complete phase-out of controlled uses of methyl bromide in Côte d'Ivoire. All policy issues had been resolved and the incremental cost of the project had been agreed. The project had been submitted for individual consideration in keeping with past practice for all methyl bromide investment projects. A draft agreement between the Government of Côte d'Ivoire and the Executive Committee had been prepared.

102. The Executive Committee decided

- (a) To approve the project proposal for phase-out of the use of methyl bromide commodities and storage fumigation at the level of funding indicated in Annex VI to the present report; and
- (b) Also to approve the agreement between the Government of Côte d'Ivoire and the Executive Committee contained in Annex X to the present report.

(Decision 42/26)

China: ODS phase-out in China solvent sector: 2004 tranche (UNDP) (UNEP/OzL.Pro/ExCom/42/29 and Add.1)

103. The representative of the Secretariat indicated that the project had originally been submitted to the 41st Meeting, but had been deferred pending submission of the audit of performance of the 2002 annual programme (Decision 41/73). Pursuant to that Decision, UNDP had prepared a supplementary report that included the results of the performance audit of the 2002 annual implementation programme, an update of progress in 2003 and a transparent account of the current situation with regard to the limit of 10 ODP tonnes of CFC-113 used as feedstock specified in the relevant agreement. He also indicated that information had been received to the effect that all the requirements of the agreement had been met and the limit of 10 ODP tonnes was being observed.

104. The Executive Committee decided to approve the 2004 annual implementation programme of the solvent sector plan for China at a cost of US \$5,555,000 plus support costs for UNDP of US \$416,625.

(Decision 42/27)

India: CFC production sector gradual phase-out project: 2004 annual work programme (World Bank) (UNEP/OzL.Pro/ExCom/42/33)

105. The World Bank had submitted the 2004 annual work programme for the implementation of the Indian CFC production sector gradual phase-out programme, together with a verification report on the implementation of the 2003 annual work programme. The verification report had been submitted on time and was in compliance with the approved guidelines for verifying ODS

production phase-out, except that it had used net rather than gross production figures, i.e., had not accounted for filling losses. The representative of the Secretariat indicated that, although such losses might appear trivial - being in the order of 1 per cent - they had represented 240 tonnes in 2002 and 90 tonnes in 2003 and were therefore significant in absolute terms. Producers that employed a suitable suction system could reduce such losses to almost zero and they should be encouraged and helped to do so. If filling losses had been included in the figures, India's CFC production target for 2003 would have been exceeded. The Secretariat therefore recommended that the project be approved but that conditions be set for the method used to calculate production.

106. The representative of the World Bank responded that there had been some suggestions that the losses were based on calculated figures rather than real. The World Bank would report to the Executive Committee on the matter at the 43rd Meeting and suggested that until that time no stipulations should be made as to the method to be used to calculate production.

107. Following a discussion, the Executive Committee decided:

- (a) To approve the 2004 annual programme of the Indian CFC production closure programme at the level of funding indicated in Annex VI to the present report;
- (b) To request the Government of India and the World Bank to assist the CFC producers in reducing filling losses under the technical assistance programme funded under the production sector phase-out agreement; and
- (c) Also to request the Government of India to make available to the Secretariat a copy of the assessment of the application of CFC-113 in the production of trifluoroacetic acid, once it had been completed.

(Decision 42/28)

India: CTC phase-out plan for the consumption and production sectors: 2004 annual work programme (France, Germany, Japan, and World Bank) (UNEP/OzL.Pro/ExCom/42/33)

108. The representative of the Secretariat indicated that the project had initially been approved in 2003 and that 2004 was its first full year. In accordance with the agreement for the phase-out in the consumption and production of CTC in India approved at the 41st Meeting, the World Bank had resubmitted the 2004 annual programme, which was a revised version of the programme submitted to the 41st Meeting. The 2004 annual programme was crucial to the ability of the Government of India to comply with the control measure of the Montreal Protocol for CTC because it was obliged, under its agreement, to reduce its carbon tetrachloride consumption from its baseline of 11,505 ODP tonnes to 1,726 ODP tonnes and production from its baseline of 11,553 ODP tonnes to 1,726 ODP tonnes by 1 January 2005.

109. The Executive Committee decided:

- (a) To approve the 2004 annual programme for the Indian carbon tetrachloride sector at the total level of funding indicated in Annex VI to the present report; and

- (b) To note the verified Indian imports of carbon tetrachloride in 2001 of 23,006.94 metric tonnes, within 10 per cent of the 24,661 metric tonnes reported in the sector plan, and therefore to maintain the funding level of the sector plan unchanged.

(Decision 42/29)

Mexico: Technical assistance to comply with the 2005 phase-out of 20 per cent of methyl bromide (Canada, Spain, and UNIDO) (UNEP/OzL.Pro/ExCom/42/39)

110. The representative of the Secretariat indicated that the Government of Mexico had submitted to the 41st Meeting a national methyl bromide phase-out plan requesting assistance to phase out of approximately 320 ODP tonnes of methyl bromide, representing the amount required to achieve a 20 per cent reduction in its baseline. At the request of the Government of Mexico, however, the project had been withdrawn and had been resubmitted in the form of a technical assistance programme to ensure compliance with the phase-out of 20 per cent of methyl bromide baseline consumption in Mexico by 2005, a phase-out of 162.4 ODP tonnes. All policy issues had been resolved and the incremental cost of the project had been agreed. The project had been submitted for individual consideration in keeping with past practice for all methyl bromide investment projects.

111. The Executive Committee decided to approve the project proposal at the level of funding indicated in Annex VI to the present report.

(Decision 42/30)

Mexico: Sector plan for phasing out the CFC-11 and CFC-12 production sector (second tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/42/39)

112. The representative of the Secretariat indicated that UNIDO had provided verification of the 2003 CFC production in Mexico and the 2004 work programme. Although the first verification report had attempted to comply with the guidelines for verifying ODS production, the verification team had not included a member with financial accounting expertise. A more detailed description of the methodology used and of the specific steps undertaken by the verification team during their plant visit should also have been provided. The verification had introduced the concept of net production – i.e., actual production minus filling losses - which had not been used in the agreement. Although the loss reported was insignificant, the concept did not promote the environmental goal of the Protocol: if filling losses were not accounted for, there would be no incentive to CFC producers to reduce such losses and thereby reduce emissions of CFCs into the atmosphere.

113. The Executive Committee decided:

- (a) To take note of the verification report of 2003 CFC production in Mexico;

- (b) To approve the 2004 work programme of the CFC production phase-out agreement with Mexico at a cost of US \$10,700,000 plus US \$802,500 support costs for UNIDO;
- (c) To request that future verifications include greater detail about the methodology used and the specific steps undertaken;
- (d) Also to request UNIDO to include in the verification team a member with a financial accounting background; and
- (e) Further to request UNIDO and other implementing agencies to use actual tonnes of CFCs and other ODS produced, not tonnes sold, when recording and verifying CFC and other ODS production phase-out.

(Decision 42/31)

Mexico: National CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/42/39 and Add.1)

114. The representative of the Secretariat indicated that a similar project addressing only the refrigeration sector had been submitted to the 41st Meeting but had been deferred in order to allow it to be reformulated as a national CFC phase-out plan and to ensure consistency with the production sector project already approved. Accordingly, UNIDO had resubmitted the project together with a revised draft agreement between the Government of Mexico and the Executive Committee to phase out all CFCs. The phase-out agreement included provision for stockpiling, consistent with the production sector agreement, and to address demand in the refrigeration servicing sector after 2010. The cost of the project was based on the costs agreed between the Secretariat and UNIDO before the 41st Meeting.

115. The Executive Committee decided:

- (a) To approve, in principle, the project proposal for a national phase-out plan for Mexico at a total level of funding of US \$8,794,500 plus agency support costs of US \$659,588 for UNIDO;
- (b) Also to approve the agreement between the Government of Mexico and the Executive Committee contained in Annex XI to the present report; and
- (c) Further to approve US \$3,517,000 plus support costs of US \$263,775 for UNIDO for the implementation of the first tranche of the national CFC phase-out plan.

(Decision 42/32)

Venezuela: National CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/42/44, Corr.1 and Add.1)

116. The representative of the Secretariat indicated that, before the 41st Meeting, a CFC phase-out plan for Venezuela, including a draft agreement, had been reviewed and agreed between the Secretariat and UNIDO and had been submitted for consideration by the Executive Committee. In the course of consideration by the Executive Committee, it had been recognized that an accommodation for a CFC stockpile would have to be included to allow coordination with the proposed phase-out in the production sector, to ensure full consistency with a future production sector agreement and to address the need for continued availability of CFCs after 2010. That project had been deferred on the understanding that it could be resubmitted once the production sector agreement was clearly understood. He indicated that Venezuela planned to ban imports in 2004 and was preparing for zero production by 2008. Accordingly, UNIDO had resubmitted the phase-out plan together with a revised draft agreement between the Executive Committee and the Government of Venezuela taking those issues into account. The cost of the project remained unchanged.

117. The Executive Committee decided:

- (a) To approve, in principle, the project proposal for a national CFC phase-out plan for Venezuela at a total level of funding of US \$6,240,555 plus agency support costs of US \$468,042 for UNIDO;
- (b) Also to approve the agreement between the Government of Venezuela and the Executive Committee contained in Annex XII to the present report; and
- (c) Further to approve US \$1,895,062 plus support costs of US \$142,129 for UNIDO for the implementation of the first tranche of the national phase-out plan.

(Decision 42/33)

118. The representative of Canada expressed his appreciation for the work of the Multilateral Fund Secretariat, the implementing agencies and the governments concerned in approving at this Meeting four major plans to phase out a total of 7,000 tonnes of current CFC consumption, which was a considerable source of satisfaction.

Bolivia: Terminal umbrella project for the commercial manufacturing sector (UNDP)
(UNEP/OzL.Pro/ExCom/42/26)

119. The representative of the Secretariat indicated that UNDP had submitted a terminal umbrella project in the commercial refrigeration sector. An RMP project was also being implemented in Bolivia and would ensure achievement of the 2005 and the 2007 control measures for CFCs. Accordingly, the proposal had been submitted under the funding window for projects for accelerated phase-out or maintaining momentum. As the Executive Committee had discussed the question of the window, there were no further issues to be resolved.

120. Following a discussion, the Executive Committee decided to approve the above project proposal at the level of funding indicated in Annex VI to the present report.

(Decision 42/34)

Bosnia and Herzegovina: Phase-out of halon consumption (UNIDO)
(UNEP/OzL.Pro/ExCom/42/27)

121. UNIDO submitted a halon banking project proposal for Bosnia and Herzegovina, which included a technical assistance programme for halon and fire protection, standards and information, training of service technicians and the setting up of recycling and recovery equipment. The latest reported consumption of halons in Bosnia and Herzegovina was zero, therefore, the project was not needed in order to enable compliance with the 2005 phase-out target but had been submitted under the funding window for projects for accelerated phase-out or maintaining momentum. The total incremental cost of the project had been agreed between the Secretariat and UNIDO. As the Executive Committee had discussed the question of the window, there were no further issues to be resolved.

122. Following a discussion, the Executive Committee decided to approve the above project proposal at the level of funding indicated in Annex VI to the present report, on the condition that upon approval of the project the Government of Bosnia and Herzegovina agreed to ban the import of new halons, in accordance with the relevant guidelines.

(Decision 42/35)

Chile: Halon consumption phase-out: Part A: technical assistance programme; Part B: halon recycling and recovery equipment (World Bank) (UNEP/OzL.Pro/ExCom/42/28)

123. The World Bank submitted a halon banking project proposal for Chile, which included assistance for regulatory and policy measures, management, training and the setting up of recovery and recycling equipment. The latest reported consumption of halons in Chile was 0.9 ODP tonnes against a baseline of 8.5 ODP tonnes, therefore, the project was not needed in order to enable compliance with the 2005 phase-out target, but had been submitted under the funding window for projects for accelerated phase-out or maintaining momentum. The total incremental cost of the project had been agreed between the Secretariat and the World Bank. As the Executive Committee had discussed the question of the window, there were no further issues to be resolved.

124. Following a discussion, the Executive Committee decided to approve the above project proposal at the level of funding indicated in Annex VI to the present report, on the condition that upon approval of the project the Government of Chile agreed to ban the import of new halons, in accordance with the relevant guidelines.

(Decision 42/36)

India: National CFC consumption phase-out plan focusing on the refrigeration servicing sector (first tranche) (Germany, Switzerland, UNDP, UNEP, and UNIDO) (UNEP/OzL.Pro/ExCom/42/33, Add.1, and Corr.1)

125. The representative of the Secretariat indicated that the national CFC phase-out plan for India had been prepared by the Government of Germany as part of its bilateral cooperation. As India did not require additional assistance to meet the 2005 and 2007 control measures for CFCs, no CFC phase-out activities in India had been included in the 2003–2005 phase-out plan of the Multilateral Fund. The proposal had, therefore, been submitted under the funding window for accelerated phase-out or maintaining momentum. A refrigeration servicing sector plan had first been communicated to the Secretariat prior to the 39th Meeting. Since then, the Secretariat had been discussing with the Government of Germany the issues raised in the Secretariat's ongoing review in order to prepare the proposal for submission. As it was to be the final project for CFCs in India, it had been agreed that it should be presented in the form of a national CFC phase-out plan focusing on the servicing sector, incorporating the sector agreements previously approved for the foam and refrigeration manufacturing sectors. The incremental costs of the CFC phase-out plan had been agreed between Germany and the Secretariat.

126. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the project proposal for a national CFC consumption phase-out plan focusing on the refrigeration servicing sector for India at a total level of funding of US \$6,338,120 plus agency support costs of US \$757,536;
- (b) Also to approve the agreement between the Government of India and the Executive Committee contained in Annex XIII to the present report; and
- (c) Further to approve funding for the implementation of the first tranche of the project as follows:
 - (i) US \$414,370 plus agency support costs of US \$53,868 to the Government of Germany;
 - (ii) US \$353,020 plus agency support costs of US \$45,893 to the Government of Switzerland;
 - (iii) US \$277,200 plus agency support costs of US \$20,790 to UNDP;
 - (iv) US \$256,300 plus agency support costs of US \$33,319 to UNEP.

(Decision 42/37)

Indonesia: Phase-out of residual CFCs in the foam sector (World Bank) (UNEP/OzL.Pro/ExCom/42/34, Add.2, and Corr.1)

127. The representative of the Secretariat indicated that the World Bank had submitted a plan for the phase-out of residual CFC consumption in the foam sector in Indonesia with the objective of ensuring complete phase-out by 2007. The project had been submitted under the window for accelerated phase-out because Indonesia did not require additional assistance to meet the 2005 and 2007 control measures for CFCs and had not therefore been included in the 2003-2005 phase-out plan of the Multilateral Fund. Following a review of the project, the Secretariat and the World Bank had agreed on the proposed level of incremental costs and had also agreed that the preparation of the draft agreement should be deferred to the 43rd Meeting of the Executive Committee, when the World Bank would submit a consolidated draft national CFC phase-out agreement incorporating approved sector plans for the refrigeration, foam and aerosol sectors. The foam sector plan could be considered for approval in principle at the present Meeting, with possible approval of initial funding to commence implementation.

128. Following a discussion the Executive Committee decided:

- (a) To approve, in principle, the amount of US \$2,957,564 plus agency support costs of US \$221,817 for the implementation of the project on phase-out of residual CFCs in the Indonesian foam sector based on the funding disbursement and CFC phase-out schedule submitted to the 42nd Meeting of the Executive Committee (document UNEP/OzL.Pro/ExCom/42/34/Add.2 and Corr.1);
- (b) To request the World Bank to incorporate the project, including the amounts approved in principle, into a national CFC phase-out agreement (see Decision 42/39); and
- (c) To approve an amount of US \$100,000 for the World Bank to initiate activities essential for the implementation of the project. The amount should be offset against the amount approved in principle for the project and accounted for in the funding disbursement schedule of the eventual CFC phase-out agreement.

(Decision 42/38)

Indonesia: National plan for phasing out the use of CFCs in the aerosol sector through a combination of policies, technical assistance, and enterprise investment initiatives (World Bank) (UNEP/OzL.Pro/ExCom/42/34/Add.1)

129. The representative of the Secretariat indicated that the national plan for phasing out the use of CFCs in the aerosol sector in Indonesia had been submitted under the window for accelerated phase-out because Indonesia did not require additional assistance to meet the 2005 and 2007 control measures for CFCs and had not therefore been included in the 2003-2005 phase-out plan of the Multilateral Fund. The project had been prepared on the basis of broad assumptions as the few aerosol enterprises identified were not willing to provide relevant information about their level of CFC consumption, date of establishment, baseline equipment, installed capacity and current production volumes so there was no basis on which to calculate

incremental costs. The World Bank needed more time to discuss with the Government of Indonesia how that issue could be addressed and had indicated its agreement to deferral of the project. The World Bank had indicated that Indonesia was prepared to combine the project with the proposed foam sector phase-out under one national CFC phase-out agreement.

130. Following a discussion the Executive Committee decided:

- (a) To defer the national plan for phasing out the use of CFCs in the aerosol sector in Indonesia;
- (b) To request the World Bank to resubmit the project proposal to a future Meeting of the Executive Committee on condition that the Government of Indonesia provide:
 - (i) A clarification of the division of remaining eligible CFC consumption between sectors proposed for funding (e.g., aerosol and MDIs);
 - (ii) Sufficient information to establish the level of CFC consumption in the aerosol sector eligible for funding, having regard to the eligibility of the CFC-based aerosol enterprises in accordance with the rules and policies of the Multilateral Fund; which would include all necessary information about the status and the baselines of the enterprises; and
 - (iii) A draft national CFC phase-out agreement covering CFC phase-out in the refrigeration sector (in accordance with the agreement for phase-out of CFCs in the refrigeration sector in Indonesia, approved by the Executive Committee at its 37th Meeting), plus the project proposal for the phase-out of residual CFCs in the foam sector approved, in principle, at the 42nd Meeting of the Executive Committee and the revised national plan for phasing out the use of CFCs in the aerosol sector (see Decision 42/38).

(Decision 42/39)

Sri Lanka: National compliance action plan (Japan, UNDP and UNEP)
(UNEP/OzL.Pro/ExCom/42/42 and Corr.1)

131. The representative of the Secretariat noted that the Government of Japan had submitted a national compliance action plan for Sri Lanka for consideration by the Executive Committee at its 40th and 41st Meetings. The project proposal had not been considered as it involved accelerated phase-out of CFCs and it had been resubmitted to the 42nd Meeting under the window for accelerated phase-out. The plan aimed to phase out CFCs completely at an accelerated pace and all other ODS by the Montreal Protocol targets.

132. The Secretariat had reviewed the proposal taking into account the RMP project approved at the 32nd Meeting, similar phase-out plans approved for other non-low-volume-consuming countries and the amounts of CFCs and halons that had not yet been funded for phase-out in Sri Lanka (157 ODP tonnes). Following further discussions between the Government of Japan,

the Secretariat, UNDP and UNEP, the incremental cost of the proposal had been agreed at a level of US \$1,015,000.

133. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the national compliance action plan for Sri Lanka at a funding level of US \$1,015,000 plus appropriate agency support costs; and
- (b) To request the bilateral and implementing agencies to continue discussions with the Government of Sri Lanka in order to finalize the agreement between the Government of Sri Lanka and the Executive Committee for submission to the 43rd Meeting of the Executive Committee.

(Decision 42/40)

134. Upon adoption of the decision, the Executive Committee took note of the communication by Japan that Sri Lanka intended to apply for a pilot and/or demonstration project to be carried out through a concessional lending mechanism in order to ensure its national compliance with the Protocol in accordance with Decision 41/96.

AGENDA ITEM 8: RECONCILIATION OF THE 2002 ACCOUNTS OF THE MULTILATERAL FUND (FOLLOW-UP TO DECISION 41/10(b))

135. The representative of the Secretariat introduced the document on reconciliation of the 2002 accounts of the Multilateral Fund (UNEP/OzL.Pro/ExCom/42/46), which addressed the issues pending from the 41st Meeting of the Executive Committee. He provided an explanation of adjustments requested for UNEP and UNIDO, the initial start-up costs of UNDP and the difference between the World Bank's progress report and the inventory of approved projects. It was also pointed out that the reconciliation exercise had not been finalized because the audited 2002 accounts for the World Bank had not yet been received and the Comptroller's review for UNDP had not been finalized.

136. During the ensuing discussion, it was stated on the one hand that the reconciliation of accounts was a routine matter that should be dealt with exclusively by the Secretariat, while on the other it was pointed out that reconciliation had a direct bearing on the transfer of funds so certain decisions could not be taken by the Secretariat alone. It was particularly difficult to decide how to address the discrepancy relating to UNDP's initial start-up costs as UNDP no longer had the relevant records dating back to 1991. It was therefore suggested that the best approach would be to request the assistance of an external, independent body to resolve the issue.

137. Following the discussion, the Executive Committee decided:

- (a) To take note of the report on reconciliation of the 2002 accounts of the Multilateral Fund (follow-up to Decision 41/10(b)) contained in document UNEP/OzL.Pro/ExCom/42/46;

- (b) To note the explanation by the Treasurer on how the following funds shown to be due to the implementing agencies were addressed in 2003, or what adjustments would be made in 2004 to provide the resources owed to the respective agencies as follows:
 - (i) US \$112,619 for UNEP;
 - (ii) US \$1,169,476 for UNIDO;
- (c) To request the Secretariat, on behalf of the Executive Committee, to approach the board of external auditors of the United Nations for assistance in determining the initial start-up costs for UNDP;
- (d) That adjustments should be made to the inventory of approved projects to reflect the amounts indicated in the World Bank's progress report for the projects listed in Annex III to document UNEP/OzL.Pro/ExCom/42/46;
- (e) To request the Treasurer to complete the reconciliation of the accounts of the World Bank on the basis of audited 2002 accounts, and the accounts of UNDP on the basis of the UNDP Comptroller's review, based on the figures derived from the reconciliation presented in documents UNEP/OzL.Pro/ExCom/41/12 and UNEP/OzL.Pro/ExCom/42/46, as well as any relevant decisions taken at the 42nd Meeting of the Executive Committee; and
- (f) To urge the World Bank and UNDP to submit the information required for reconciliation as soon as possible.

(Decision 42/41)

AGENDA ITEM 9: SERVICE OF THE TREASURER (FOLLOW-UP TO DECISION 41/3)

(a) New agreement between UNEP and the Executive Committee

138. The Executive Committee considered the draft revised agreement with UNEP on the service of the Treasurer (UNEP/OzL.Pro/ExCom/42/47/Rev.1) and the justifications for the amendments to the existing agreement being proposed by UNEP.

139. During the discussion on the Treasurer's responsibility for seeking additional contributions from Parties, it was stated that, while fund-raising might not be within the scope of the Treasurer's mandate, the Treasurer was responsible for administering any voluntary contributions received. As a result of the discussion, clause 1.4 of the agreement and paragraphs 1.3 and 2.1 of the appendix to the agreement were amended. The issue of designing a reporting system that would ensure uniformity, transparency and consistency when tracking the flow of funds and facilitating comparability and reconciliation was also raised, and the relevant clause in the agreement was amended accordingly.

140. Following the discussion, the Executive Committee decided:

- (a) To approve the agreement between UNEP and the Executive Committee on the service of the Treasurer, as contained in Annex XIV to the present report, to be signed on behalf of the Executive Committee by the Chair;
- (b) Also to approve an annual fee amounting to US \$500,000, inclusive of annual inflation, effective 1 April 2004 continuing for the next five years, for UNEP for providing the service of the Treasurer, as indicated in Annex VI to the present report; and
- (c) To request the Secretariat to ensure that the functions of Treasurer (Annex XIV) were clearly distributed between the P-4 and P-5 positions mentioned in document UNEP/OzL.Pro/ExCom/42/47/Rev.1.

(Decision 42/42)

(b) Rate of return on UNEP's fund investments

141. Having considered the note from the Secretariat on the rate of return on UNEP's fund investments (UNEP/OzL.Pro/ExCom/42/48), the Executive Committee decided:

- (a) To take note of the information provided by UNEP on its fund investments (UNEP/OzL.Pro/ExCom/42/48); and
- (b) To request UNEP to maximize the benefits to the Multilateral Fund and the contributing Parties when exercising its functions as Treasurer.

(Decision 42/43)

AGENDA ITEM 10: TREATMENT/ENCASHMENT OF PROMISSORY NOTES (FOLLOW-UP TO DECISION 41/4)

142. The Executive Committee had before it the note from the Secretariat on the treatment/encashment of promissory notes (UNEP/OzL.Pro/ExCom/42/49). The Treasurer informed the meeting that the Executive Committee's views had been incorporated into the terms of reference for the study on the historical use of promissory notes and that a suitably qualified consultant had been engaged to prepare the report for the 43rd Meeting of the Executive Committee.

143. The Executive Committee decided:

- (a) To take note of the additional information provided by the Treasurer; and

- (b) To request UNEP to complete the study on the encashment of promissory notes and submit a report thereon to the Executive Committee at its 43rd Meeting.

(Decision 42/44)

AGENDA ITEM 11: REPORT ON PROGRAMME SUPPORT COSTS OF BILATERAL COOPERATION PROJECTS (DECISION 41/94(c))

144. The representative of the Secretariat presented the report on programme support costs of bilateral cooperation projects (UNEP/OzL.Pro/ExCom/42/50), which presented the views of the bilateral agencies on the applicability of the current administrative cost regime to bilateral agencies.

145. The representative of Japan questioned the validity of applying Decision 26/41 of the Executive Committee, which was based on information about only the four implementing agencies, to the bilateral agencies. Subsequently, consultations were held among the representatives of Austria, Canada, Japan, and the United Kingdom. Following the consultations, the Executive Committee decided:

- (a) To take note of the report on programme support costs of bilateral cooperation projects (UNEP/OzL.Pro/ExCom/42/50);
- (b) To note with appreciation the inputs from Australia, Canada, Germany, Israel, Italy, and Japan;
- (c) To defer further consideration of the programme support costs of bilateral cooperation projects until its 43rd Meeting;
- (d) To invite the bilateral agencies to make further submissions giving their views on the matter in order to facilitate discussion at the 43rd Meeting; and
- (e) To include in the provisional agenda of the 43rd Meeting an item entitled “Rights and obligations of bilateral agencies under the Montreal Protocol and its Multilateral Fund”.

(Decision 42/45)

146. The representative of Japan subsequently made the following statement and requested that it be included in the report:

“1. We believe that, at its 43rd Meeting, the Executive Committee should decide to adopt the guidelines for the application of programme support costs contained in Decision 26/41, with an amendment to take into account the needs of bilateral agencies for:

- (a) Ensuring adequate resources to maintain a core unit function;

- (b) Adequately covering administrative costs for the identification, preparation and approval of projects, as well as any additional activities which bilateral agencies have accepted since the 26th Meeting of the Executive Committee to implement and to comply with procedures relating to the business planning, maintenance and implementation of projects applicable to bilateral agencies;

“2. We also believe that the Executive Committee should request the Secretariat to study how the Fund can meet the needs of bilateral agencies as stated above and provide the Committee with its proposals, including adoption of a core-unit funding budget in line with the arrangement made for the four implementing agencies in Executive Committee Decision 38/68.”

AGENDA ITEM 12: COUNTRY PROGRAMMES

Democratic People’s Republic of Korea

147. The representative of the Secretariat introduced the country programme update for the Democratic People’s Republic of Korea (UNEP/OzL.Pro/ExCom/42/51), which had first been submitted to the 40th Meeting of the Executive Committee. At that time, the Secretariat had noted a number of data discrepancies relating to CTC consumption and production and the Executive Committee had therefore decided to note the proposed country programme update, and to request UNEP and UNIDO to address the issues regarding CTC data discrepancies, revise the country programme update document accordingly and resubmit it. Prior to the 41st Meeting, an agreement had been reached with the Government of the Democratic People’s Republic of Korea on the basis for the calculating the remaining eligible CTC consumption in the country and its related funding requirements. Accordingly, UNEP had revised the country programme update to reflect the above mentioned understandings.

148. The Executive Committee decided to approve the country programme update for the Democratic People’s Republic of Korea (UNEP/OzL.Pro/ExCom/42/51), noting that approval of the country programme update did not denote approval of the projects identified therein nor their funding levels.

(Decision 42/46)

Mongolia

149. The representative of the Secretariat introduced the country programme update for Mongolia (UNEP/OzL.Pro/ExCom/42/52), which had been prepared with the assistance of the Government of Japan within the framework of its project for bilateral cooperation. The Committee noted that the Government of Mongolia had taken significant steps to facilitate the implementation of the current country programme approved in 1999. As a result, CFC-12 consumption had been reduced from 12.8 ODP tonnes in 1999 to 6.9 ODP tonnes in 2002, below the consumption freeze level of 10.6 ODP tonnes.

150. The Executive Committee decided to approve the country programme update for Mongolia (UNEP/OzL.Pro/ExCom/42/52), noting that approval of the country programme update did not denote approval of the projects identified therein nor their funding levels.

(Decision 42/47)

AGENDA ITEM 13: TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE (FOLLOW-UP TO DECISION 41/1)

151. The Chair, recalling that Decision 41/1 had included the provision “To place the issue of Decision XV/48 of the Fifteenth Meeting of the Parties on the agenda of the Executive Committee for its 42nd Meeting”, noted that there was a need to improve and streamline, for the future, the process of appointment of the Chief Officer.

152. Following a discussion, the Executive Committee decided to request the Chair, on behalf of the Executive Committee, to enter into consultations with the Secretary-General of the United Nations, the Executive Director of UNEP, the United Nations Office of Human Resources Management, and the United Nations Office of Legal Affairs, regarding the terms of reference of the Executive Committee and the legal and administrative implications related to this matter, and to report to the Committee at a future meeting.

(Decision 42/48)

AGENDA ITEM 14: REPORT OF THE EXECUTIVE COMMITTEE’S SUBGROUP ON THE PRODUCTION SECTOR

153. The Subgroup on the Production Sector held a meeting during the 42nd Meeting of the Executive Committee at which the Chief Officer introduced a list of ODS production phase-out projects in the pipeline, with information on the implementing agency involved, the status of the projects and the estimated time at which the projects would be submitted to the Subgroup. The United States of America and the World Bank updated the information on that list. The accelerated phase-out of the CFC production sector in China was added to the list and would be submitted to the Subgroup when it met during the 44th Meeting of the Executive Committee (see table below).

ODS production phase-out projects in the pipeline

Project	Implementing agency involved	Status	Estimated time of submission
CFC production phase out in Venezuela	World Bank	Technical audit report submitted to Subgroup at the 41st Meeting and project preparation underway	43rd Meeting
Phase out of TCA production in China	World Bank	Technical audit report submitted to Subgroup at the 41st Meeting and project preparation underway	43rd Meeting

Project	Implementing agency involved	Status	Estimated time of submission
Sector plan for phasing out CTC production and consumption in China (2 nd phase)	World Bank	Technical audit completed and project preparation being requested at the 42nd Meeting	44th Meeting
Phase out of CFC, CTC and methyl bromide production in Romania	UNIDO	Request for technical audit received and waiting for the preliminary data on producers and draft phase out schedule	44th Meeting
Phase out of methyl bromide production in China	UNIDO	Request for technical audit and preliminary data on producers pending	44th Meeting
Accelerated phase-out of CFC production in China	United States of America	Project preparation under way	44th Meeting

154. In response to a question on the deadline for submission of sector phase-out plans to the 43rd Meeting, because of the relatively short interval between the first two Meetings of the Executive Committee in 2004, the Chief Officer agreed to a 12-week deadline prior to the Meeting instead of the usual 14-week deadline.

155. The Executive Committee took note of the report of the Subgroup on the Production Sector.

AGENDA ITEM 15: OTHER MATTERS

(a) Methyl bromide projects for early phase-out by Article 5 Parties

156. The representative of Argentina introduced a draft decision on projects for early phase-out of methyl bromide in Article 5 countries, making some oral amendments. She drew attention to decision Ex.I/2 of the Extraordinary Meeting of the Parties, which called upon the Executive Committee to consider the accelerated phase-out of methyl bromide in Article 5 countries and to adopt criteria for the prolongation of accelerated phase-out agreements.

157. A number of representatives underscored the importance of adopting criteria for the prolongation of accelerated phase-out agreements. It was felt that there was an urgent need to consider the issue of criteria as it seemed likely that applications for such prolongations would be made. It was noted, however, that creating a list of general criteria and then applying them on a case-by-case basis raised procedural difficulties.

158. The representative of Japan stressed that the development of criteria had to be done at an appropriate moment and the trigger for the development of such criteria had to be a request by the Party concerned, namely, the Party with a phase-out project. It was for the Parties to come forward voluntarily if they found their self-imposed targets had become too difficult to achieve. In his view, there did not appear to be any need for general criteria, which might be seen as infringing on the sovereign rights of the Parties. It was important to exercise care when calling upon the Parties to provide information that they were under no obligation to provide. He also noted that, if general criteria were to be developed in a contact group, then the whole process

would become multilateral in nature and open to those Parties that did not have a phase-out project for which prolongation was being requested. Finally, decision Ex.I/2 had only recently been adopted and its implementation was still being discussed by governments.

159. Regarding the report requested of the Multilateral Fund Secretariat, several representatives expressed the view that the Secretariat was not being asked to impose its views on Parties but was only being asked to compile information already available in a single document.

160. The representative of Canada noted that there seemed to be a difference of opinion as to the best interpretation of paragraph 3 of decision Ex.I/2. It could be read as meaning that any interested Party could request the Executive Committee to adopt criteria for the prolongation of accelerated phase-out agreements for methyl bromide, or it could be read to mean that only the Party concerned with a phase-out project could make such a request. He felt that it was important to ask the members of the Executive Committee for their understanding of the decision as a whole. In his view, some general guidelines were required in order to determine whether a request was to be considered. Specific criteria could be developed once a Party had made a request under decision Ex.I/2.

161. Recognizing that, in order to apply decision Ex.I/2 of the Extraordinary Meeting of the Parties, more information on the status of implementation of approved projects for the accelerated phase-out of methyl bromide was required, the Executive Committee decided:

- (a) To request the Multilateral Fund Secretariat to prepare for the 43rd Meeting of the Executive Committee, an appropriate document covering updated status of the implementation of approved projects for accelerated phase-out of methyl bromide, based on available information in the Secretariat and relevant bilateral and implementing agencies;
- (b) To invite Executive Committee Members to submit to the Secretariat, by 30 April 2004, their comments on the implementation of decision Ex.I/2 of the Parties; and
- (c) To consider, at its 43rd Meeting, the need to establish a contact group to consider the paper prepared by the Secretariat and any submission by the Executive Committee Members.

(Decision 42/49)

(b) Report by UNEP on consultations held pursuant to Decision 41/38

162. The representative of UNEP, referring to subparagraph (a)(iv) of Decision 41/38 of the Executive Committee on amending the post of “Halon Officer” to “Policy Officer” of the West Asian regional network, reported that seven out of eight countries consulted in the region preferred the post of “Halon Officer”.

163. Following a discussion, the Executive Committee took note of the information provided by the representative of UNEP and that UNEP would continue to discuss this matter at the upcoming meeting of the Network to be held in Beirut in May 2004.

(c) Dates and venues for the 43rd and 44th Meetings of the Executive Committee

164. The Executive Committee decided to hold its 43rd Meeting in Geneva from 5 to 9 July 2004.

(Decision 42/50)

165. Following a discussion, the Executive Committee agreed to defer consideration of the date and venue for its 44th Meeting until the 43rd Meeting.

(d) Comments on the annotated provisional agenda and the structural organization of the meetings of the Executive Committee

166. All representatives who spoke welcomed the annotated provisional agenda, describing it as a very helpful document and expressed the hope that it would be dispatched to members earlier. It was suggested that the order in which the paragraphs appeared needed to be more closely aligned with other meeting documents and that a document on the planned organization of work would be useful.

167. The new procedure of discussing all items in plenary session was welcomed and it was noted that it eliminated potential duplication of effort.

168. The Chief Officer thanked the participants for their comments and said that the Secretariat would take note of them.

(e) Tribute to Mr. Heinrich Kraus

169. The Executive Committee observed a minute of silence in memory of Dr. Heinrich Kraus, former Chair of the Executive Committee, who had recently passed away.

AGENDA ITEM 16: ADOPTION OF THE REPORT

170. The Executive Committee adopted its report on Friday, 2 April 2004, on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/42/L.1.

AGENDA ITEM 17: CLOSURE OF THE MEETING

171. The Chair declared the meeting closed at 4:30 p.m. on Friday, 2 April 2004.

**TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**

Table 1 : STATUS OF THE FUND FROM 1991-2004 (IN US DOLLARS)

As at 26 March 2004

INCOME	
Contributions received:	
- Cash payments including note encashments	1,406,398,369
- Promissory notes held	127,122,920
- Bilateral cooperation	69,279,771
- Interest earned	139,717,345
- Miscellaneous income	5,433,610
Total Income	1,747,952,015
ALLOCATIONS AND PROVISIONS	
- UNDP	443,811,146
- UNEP	83,438,619
- UNIDO	344,678,230
- World Bank	666,463,451
Less Adjustments	-
Total allocations to implementing agencies	1,538,391,446
Secretariat and Executive Committee costs (1991-2005)	
- includes provision for staff contracts into 2005	42,189,793
Secretariat staff costs - 2006	2,548,775
Bank Charges 2004-2006	14,000
Monitoring and evaluation activities approved at the 22nd, 29th, 32nd, 35th, 38th and 41st meetings of the Executive Committee	1,576,375
Treasury Fees/Information Strategy	405,750
Technical audit activities approved at the 24th, and 36th meetings of the Executive Committee	850,000
Bilateral cooperation	69,279,771
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	8,498,118
Total allocations and provisions	1,663,754,028
BALANCE AVAILABLE FOR NEW ALLOCATIONS	84,197,986

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 2 : 1991 - 2004 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 26 March 2004

Description	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	1991 - 2004
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	1,572,337,598	158,000,000	158,000,000	1,888,337,598
Cash payments/received	206,026,442	381,375,628	381,749,584	358,221,820	1,327,373,473	78,626,131	398,764	1,406,398,369
Bilateral assistance	4,366,255	12,089,441	22,144,067	22,764,491	61,364,254	5,022,466	2,893,051	69,279,771
Promissory notes	0	0	23,262,997	54,309,651	77,572,648	42,822,139	6,728,133	127,122,920
Total payments	210,392,697	393,465,069	427,156,648	435,295,962	1,466,310,375	126,470,736	10,019,948	1,602,801,060
Disputed contributions	0	8,098,267	0	0	8,098,267	0	0	8,098,267
Outstanding pledges	24,536,544	31,376,278	45,410,361	4,704,039	106,027,223	31,529,264	147,980,052	285,536,538
Payments %age to pledges	89.56%	92.61%	90.39%	98.93%	93.26%	80.04%	6.34%	84.88%
Interest earned	5,323,644	28,525,733	44,685,516	53,955,043	132,489,936	7,227,409	0	139,717,345
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	5,088,349	345,261	0	5,433,610
TOTAL INCOME	217,158,444	423,288,168	473,065,762	490,376,287	1,603,888,660	134,043,406	10,019,948	1,747,952,015

Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	1991-2004
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	1,572,337,598	158,000,000	158,000,000	1,888,337,598
Total payments	210,392,697	393,465,069	427,156,648	435,295,962	1,466,310,375	126,470,736	10,019,948	1,602,801,060
Payments %age to pledges	89.56%	92.61%	90.39%	98.93%	93.26%	80.04%	6.34%	84.88%
Total income	217,158,444	423,288,168	473,065,762	490,376,287	1,603,888,660	134,043,406	10,019,948	1,747,952,015
Total outstanding contributions	24,536,544	31,376,278	45,410,361	4,704,039	106,027,223	31,529,264	147,980,052	285,536,538
As % to total pledges	10.44%	7.39%	9.61%	1.07%	6.74%	19.96%	93.66%	15.12%
Outstanding contributions for certain Countries with Economies in Transition(CEIT)*	24,570,102	31,376,278	33,019,397	10,317,292	99,283,069	2,975,830	3,990,380	102,258,899
CEITs' outstandings %age to pledges	10.46%	7.39%	6.99%	2.34%	6.31%	1.88%	2.53%	5.42%

*CEITs with outstanding payments are: Azerbaijan, Belarus, Bulgaria, Georgia, Lithuania, Poland, Russian Federation, Tajikistan, Turkmenistan, Ukraine, Uzbekistan

CEITs who have paid are: Czech Republic, Estonia, Hungary, Latvia, Slovak Republic, Slovenia

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 3 : 1991-2004 Summary Status of Contributions

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia*	34,076,589	29,556,396	1,208,219	0	3,311,974.42
Austria	19,374,514	17,409,878	131,790	0	1,832,846.32
Azerbaijan	836,805	100,000	0	0	736,804.78
Belarus	2,533,788	0	0	0	2,533,788.48
Belgium	24,057,113	21,762,282	108,480	0	2,186,351.34
Brunei Darussalam	0	0	0	0	0.00
Bulgaria	1,042,631	1,017,655	0	0	24,975.90
Canada*	65,798,363	46,890,833	7,256,897	8,261,208	3,389,424.40
Cyprus	148,670	148,670	0	0	0.00
Czech Republic	5,450,918	5,054,377	66,090	0	330,450.34
Denmark	15,727,943	12,621,896	205,000	0	2,901,046.60
Estonia	113,796	94,584	0	0	19,212.46
Finland	12,723,120	11,156,759	451,870	0	1,114,490.50
France	141,818,502	50,147,937	9,583,878	62,689,207	19,397,480.30
Georgia	0	0	0	0	0.00
Germany	209,373,661	156,067,022	26,961,755	19,510,048	6,834,836.14
Greece	8,883,215	6,428,210	0	0	2,455,005.32
Hungary	3,260,575	2,981,613	46,494	0	232,467.94
Iceland	694,034	658,852	0	0	35,181.97
Ireland	4,923,022	4,352,419	0	0	570,603.40
Israel	6,389,006	3,544,647	38,106	0	2,806,253.36
Italy	109,599,874	92,508,279	5,324,489	0	11,767,106.48
Japan	353,520,945	308,754,464	4,372,503	0	40,393,978.00
Kuwait	286,549	286,549	0	0	0.00
Latvia	298,152	278,940	0	0	19,212.46
Liechtenstein	188,686	165,631	0	0	23,054.68
Lithuania	435,179	14,975	0	0	420,203.58
Luxembourg	1,534,505	1,420,574	0	0	113,930.63
Malta	28,052	28,052	0	0	0.00
Monaco	150,382	142,677	0	0	7,704.89
Netherlands	36,101,227	32,737,165	0	6,728,133	(3,364,071.36)
New Zealand	5,295,712	4,828,855	0	0	466,857.74
Norway	13,094,342	11,841,704	0	0	1,252,637.34
Panama	16,915	16,915	0	0	0.00
Poland	4,601,235	2,907,001	113,000	0	1,581,234.22
Portugal	7,110,119	5,406,751	0	0	1,703,367.76
Russian Federation	91,426,635	0	0	0	91,426,634.98
Singapore	531,221	459,245	71,976	0	0.00
Slovak Republic	1,772,339	1,673,204	16,523	0	82,612.18
Slovenia	372,528	216,909	0	0	155,619.12
South Africa	3,793,691	3,763,691	30,000	0	0.00
Spain	52,320,700	47,442,715	0	0	4,877,984.94
Sweden	25,461,724	21,990,479	1,482,780	0	1,988,465.31
Switzerland	26,786,520	24,295,807	427,730	0	2,062,982.98
Tajikistan	94,713	5,333	0	0	89,380.44
Turkmenistan	287,481	0	0	0	287,481.34
Ukraine	8,701,833	785,600	0	0	7,916,232.62
United Arab Emirates	559,639	559,639	0	0	0.00
United Kingdom	116,408,423	91,025,235	565,000	21,934,324	2,883,864.26
United States of America	469,771,570	382,680,477	10,817,191	8,000,000	68,273,902.00
Uzbekistan	560,441	167,473	0	0	392,967.90
SUB-TOTAL	1,888,337,598	1,406,398,369	69,279,771	127,122,920	285,536,538.46
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267.00
TOTAL	1,896,435,865	1,406,398,369	69,279,771	127,122,920	293,634,805.46

NB: (*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39th meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40th meeting to read \$1,208,219 and \$6,449,438 instead of \$1,300,088 and \$ 6,414,880 respectively.

(**) Disputed amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 4 : Status of Contributions for 2004

As at 26 March 2004

Party	Agreed	Cash Payments	Bilateral	Promissory Notes	Outstanding
Australia	3,150,806	0			3,150,806
Austria	1,832,847	0			1,832,847
Azerbaijan	7,685	0			7,685
Belarus	36,503	0			36,503
Belgium	2,186,352	0			2,186,352
Brunei Darussalam	0	0			0
Bulgaria	24,976	0			24,976
Canada	4,954,834	0			4,954,834
Cyprus	0	0			0
Czech Republic	330,450	0			330,450
Denmark	1,450,523	0			1,450,523
Estonia	19,212	0			19,212
Finland	1,010,563	0			1,010,563
France	12,518,689	0	991,683		11,527,006
Georgia	0	0			0
Germany	18,914,440	0	1,901,368		17,013,072
Greece	1,043,224	0			1,043,224
Hungary	232,468	0			232,468
Iceland	63,400	14,109			49,291
Ireland	570,603	0			570,603
Israel	803,071	0			803,071
Italy	9,805,922	0			9,805,922
Japan	34,760,000	0			34,760,000
Kuwait	0	0			0
Latvia	19,212	0			19,212
Liechtenstein	11,527	0			11,527
Lithuania	32,661	0			32,661
Luxembourg	153,698	0			153,698
Malta	0	0			0
Monaco	7,685	0			7,685
Netherlands	3,364,061	0		6,728,133	(3,364,072)
New Zealand	466,857	0			466,857
Norway	1,252,637	0			1,252,637
Panama	0	0			0
Poland	612,870	0			612,870
Portugal	895,290	0			895,290
Russian Federation	2,305,467	0			2,305,467
Singapore	0	0			0
Slovak Republic	82,613	0			82,613
Slovenia	155,619	0			155,619
South Africa	0	0			0
Spain	4,877,985	0			4,877,985
Sweden	1,988,466	0			1,988,466
Switzerland	2,447,638	384,655			2,062,983
Tajikistan	1,921	0			1,921
Turkmenistan	5,764	0			5,764
Ukraine	101,825	0			101,825
United Arab Emirates	0	0			0
United Kingdom	10,718,503	0			10,718,503
United States of America	34,760,000	0			34,760,000
Uzbekistan	21,133	0			21,133
TOTAL	158,000,000	398,764	2,893,051	6,728,133	147,980,052
CEITs	3,990,380	0	0	0	3,990,380

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 5 : Status of Contributions for 2003

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,150,806	(91,869)	0	91,869
Austria	1,832,847	1,832,847	0	0	(0)
Azerbaijan	7,685	0	0	0	7,685
Belarus	36,503	0	0	0	36,503
Belgium	2,186,352	2,186,352	0	0	(0)
Brunei Darussalam	0	0	0	0	0
Bulgaria	24,976	24,976	0	0	0
Canada	4,954,834	278,482	808,459	4,570,980	(703,087)
Cyprus	0	0	0	0	0
Czech Republic	330,450	264,360	66,090	0	0
Denmark	1,450,523	0	0	0	1,450,523
Estonia	19,212	19,212	0	0	0
Finland	1,010,563	1,010,563	0	0	0
France	12,518,689	0	0	12,518,689.00	(1)
Georgia	0	0	0	0	0
Germany	18,914,440	3,900,473	3,798,227	15,013,967	(3,798,227)
Greece	1,043,224	259,037	0	0	784,187
Hungary	232,468	185,974	46,494	0	0
Iceland	63,400	77,510	0	0	(14,109)
Ireland	570,603	570,603	0	0	0
Israel	803,071	0	0	0	803,071
Italy	9,805,922	7,844,737	0	0	1,961,185
Japan	34,760,000	34,760,000	38,278	0	(38,278)
Kuwait	0	0	0	0	0
Latvia	19,212	19,212	0	0	0
Liechtenstein	11,527	0	0	0	11,527
Lithuania	32,661	0	0	0	32,661
Luxembourg	153,698	193,465	0	0	(39,767)
Malta	0	0	0	0	0
Monaco	7,685	7,685	0	0	0
Netherlands	3,364,061	3,364,061	0	0	0
New Zealand	466,857	466,857	0	0	0
Norway	1,252,637	1,252,637	0	0	0
Panama	0	0	0	0	0
Poland	612,870	150,000	0	0	462,870
Portugal	895,290	364,650	0	0	530,640
Russian Federation	2,305,467	0	0	0	2,305,467
Singapore	0	0	0	0	0
Slovak Republic	82,613	66,090	16,523	0	(0)
Slovenia	155,619	155,619	0	0	0
South Africa	0	0	0	0	0
Spain	4,877,985	4,877,985	0	0	(0)
Sweden	1,988,466	1,648,202	340,264	0	(0)
Switzerland	2,447,638	2,447,638	0	0	(0)
Tajikistan	1,921	0	0	0	1,921
Turkmenistan	5,764	0	0	0	5,764
Ukraine	101,825	0	0	0	101,825
United Arab Emirates	0	0	0	0	0
United Kingdom	10,718,503	0	0	10,718,503	(0)
United States of America	34,760,000	7,246,098	0	0	27,513,902
Uzbekistan	21,133	0	0	0	21,133
TOTAL	158,000,000	78,626,131	5,022,466	42,822,139	31,529,264

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 6 : 1991-2002 Summary Status of Contributions

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	27,774,978	26,405,590	1,300,088	0	69,300
Austria	15,708,821	15,577,031	131,790	0	0
Azerbaijan	821,435	100,000	0	0	721,435
Belarus	2,460,782	0	0	0	2,460,782
Belgium	19,684,410	19,575,930	108,480	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	992,679	992,679	0	0	0
Canada	55,888,695	46,612,352	6,448,438	3,690,228	(862,323)
Cyprus	148,670	148,670	0	0	0
Czech Republic	4,790,017	4,790,017	0	0	0
Denmark	12,826,896	12,621,896	205,000	0	0
Estonia	75,372	75,372	0	0	0
Finland	10,701,993	10,146,196	451,870	0	103,927
France	116,781,125	50,147,937	8,592,195	50,170,518	7,870,475
Georgia	0	0	0	0	0
Germany	171,544,782	152,166,549	21,262,160	4,496,081	(6,380,008)
Greece	6,796,767	6,169,173	0	0	627,594
Hungary	2,795,639	2,795,639	0	0	0
Iceland	567,233	567,233	0	0	0
Ireland	3,781,816	3,781,816	0	0	0
Israel	4,782,864	3,544,647	38,106	0	1,200,111
Italy	89,988,031	84,663,542	5,324,489	0	0
Japan	284,000,945	273,994,464	4,334,225	0	5,672,256
Kuwait	286,549	286,549	0	0	0
Latvia	259,728	259,728	0	0	0
Liechtenstein	165,631	165,631	0	0	0
Lithuania	369,857	14,975	0	0	354,882
Luxembourg	1,227,109	1,227,109	0	0	0
Malta	28,052	28,052	0	0	0
Monaco	135,012	134,992	0	0	20
Netherlands	29,373,104	29,373,104	0	0	0
New Zealand	4,361,998	4,361,998	0	0	0
Norway	10,589,067	10,589,067	0	0	0
Panama	16,915	16,915	0	0	0
Poland	3,375,495	2,757,001	113,000	0	505,494
Portugal	5,319,539	5,042,101	0	0	277,438
Russian Federation	86,815,700	0	0	0	86,815,700
Singapore	531,221	459,245	71,976	0	0
Slovak Republic	1,607,114	1,607,114	0	0	0
Slovenia	61,290	61,290	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0
Spain	42,564,730	42,564,730	0	0	0
Sweden	21,484,793	20,342,277	1,142,516	0	0
Switzerland	21,891,244	21,463,514	427,730	0	0
Tajikistan	90,871	5,333	0	0	85,538
Turkmenistan	275,954	0	0	0	275,954
Ukraine	8,498,183	785,600	0	0	7,712,583
United Arab Emirates	559,639	559,639	0	0	0
United Kingdom	94,971,418	91,025,235	565,000	11,215,821	(7,834,638)
United States of America	400,251,570	375,434,379	10,817,191	8,000,000	6,000,000
Uzbekistan	518,174	167,473	0	0	350,701
SUB-TOTAL	1,572,337,598	1,327,373,473	61,364,254	77,572,648	106,027,223
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267
TOTAL	1,580,435,865	1,327,373,473	61,364,254	77,572,648	114,125,490

NB: (**) Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 7 : Status of Contributions for 2002

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,228,938	184,023	0	69,300
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	31,824	0	0	0
Canada	4,612,784	613,066	1,138,255	3,690,228	(828,765)
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	25,124	0	0	0
Finland	907,817	907,817	0	0	0
France	10,954,107	0	1,187,874	8,510,535	1,255,698
Georgia	0	0	0	0	0
Germany	16,427,810	7,208,013	9,937,687	5,662,119	(6,380,009)
Greece	587,904	0	0	0	587,904
Hungary	200,993	200,993	0	0	0
Iceland	53,598	53,598	0	0	0
Ireland	375,186	375,186	0	0	0
Israel	577,854	0	38,106	0	539,748
Italy	9,098,273	7,148,273	1,950,000	0	0
Japan	33,471,998	32,959,661	512,337	0	0
Kuwait	0	0	0	0	0
Latvia	40,199	40,199	0	0	0
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,680	0	0	20
Netherlands	2,731,827	2,731,827	0	0	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	1,021,713	0	0	0
Panama	0	0	0	0	0
Poland	346,712	0	0	0	346,712
Portugal	698,450	421,012	0	0	277,438
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovak Republic	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,408,969	406,666	0	0
Switzerland	2,035,052	2,035,052	0	0	0
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	7,655,819	0	8,525,444	(7,655,819)
United States of America	36,666,667	28,666,667	0	5,000,000	3,000,000
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	105,419,909	15,354,948	31,388,326	(5,496,516)

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 8: Status of Contributions for 2001

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,354,404	127,857	0	0
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	31,824	0	0	0
Canada	4,612,784	4,218,583	394,201	0	0
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	25,124	0	0	0
Finland	907,817	907,817	0	0	0
France	10,954,107	0	561,672	10,392,435	0
Georgia	0	0	0	0	0
Germany	16,427,810	17,593,847	0	(1,166,038)	1
Greece	587,904	548,214	0	0	39,690
Hungary	200,993	200,993	0	0	0
Iceland	53,598	53,598	0	0	0
Ireland	375,186	375,186	0	0	0
Israel	577,854	0	0	0	577,854
Italy	9,098,273	7,543,439	1,554,834	0	0
Japan	33,471,998	33,219,443	252,555	0	0
Kuwait	0	0	0	0	0
Latvia	40,199	40,199	0	0	0
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,700	0	0	0
Netherlands	2,731,827	2,731,827	0	0	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	1,021,713	0	0	0
Panama	0	0	0	0	0
Poland	346,712	74,930	113,000	0	158,782
Portugal	698,450	698,450	0	0	0
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovak Republic	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,510,635	305,000	0	0
Switzerland	2,035,052	1,963,822	71,230	0	0
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	8,680,481	0	0	(155,037)
United States of America	36,666,667	30,666,667	0	3,000,000	3,000,000
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	124,147,374	3,380,349	12,226,397	6,912,547

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 9: Status of Contributions for 2000

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,236,561	245,700	0	0
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849		0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	31,824	0	0	0
Canada	4,612,784	3,823,957	788,827	0	0
Cyprus	0	0	0		0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	25,124	0	0	0
Finland	907,817	907,817	0	0	0
France	10,954,107	0	259,179	10,694,928	0
Georgia	0	0	0	0	0
Germany	16,427,810	16,427,810	0	0	0
Greece	587,904	587,904	0	0	0
Hungary	200,993	200,993	0	0	0
Iceland	53,598	53,598	0	0	0
Ireland	375,186	375,186	0	0	0
Israel	577,854	495,345	0	0	82,509
Italy	9,098,273	7,278,618	1,819,655	0	0
Japan	33,471,998	32,636,168	835,833	0	(3)
Kuwait	0	0	0	0	0
Latvia	40,199	40,199	0	0	0
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,700	0	0	0
Netherlands	2,731,827	2,731,827	0	0	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	1,021,713	0	0	0
Panama	0	0	0	0	0
Poland	346,712	346,712	0	0	0
Portugal	698,450	698,450	0	0	0
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovak Republic	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,815,635	0	0	0
Switzerland	2,035,052	1,955,052	80,000	0	0
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	8,549,226		0	(23,782)
United States of America	36,666,667	36,666,667	0	0	0
Uzbekistan	61,973	61,973	0	0	0
TOTAL	146,666,667	128,654,537	4,029,194	10,694,928	3,288,008

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 10 Status of Contributions for 2000 - 2002

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	7,446,783	6,819,903	557,580	0	69,300
Austria	4,728,354	4,728,354	0	0	0
Azerbaijan	110,547	0	0	0	110,547
Belarus	412,035	0	0	0	412,035
Belgium	5,542,377	5,542,377	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	95,472	95,472	0	0	0
Canada	13,838,352	8,655,606	2,321,283	3,690,228	(828,765)
Cyprus	0	0	0	0	0
Czech Republic	608,004	608,004	0	0	0
Denmark	3,472,149	3,472,149	0	0	0
Estonia	75,372	75,372	0	0	0
Finland	2,723,451	2,723,451	0	0	0
France	32,862,321	0	2,008,725	29,597,898	1,255,698
Georgia	0	0	0	0	0
Germany	49,283,430	41,229,670	9,937,687	4,496,081	(6,380,008)
Greece	1,763,712	1,136,118	0	0	627,594
Hungary	602,979	602,979	0	0	0
Iceland	160,794	160,794	0	0	0
Ireland	1,125,558	1,125,558	0	0	0
Israel	1,733,562	495,345	38,106	0	1,200,111
Italy	27,294,819	21,970,330	5,324,489	0	0
Japan	100,415,994	98,815,272	1,600,725	0	(3)
Kuwait	0	0	0	0	0
Latvia	120,597	120,597	0	0	0
Liechtenstein	30,150	30,150	0	0	0
Lithuania	110,547	0	0	0	110,547
Luxembourg	341,688	341,688	0	0	0
Malta	0	0	0	0	0
Monaco	20,100	20,080	0	0	20
Netherlands	8,195,481	8,195,481	0	0	0
New Zealand	1,110,486	1,110,486	0	0	0
Norway	3,065,139	3,065,139	0	0	0
Panama	0	0	0	0	0
Poland	1,040,136	421,642	113,000	0	505,494
Portugal	2,095,350	1,817,912	0	0	277,438
Russian Federation	7,471,905	0	0	0	7,471,905
Singapore	0	0	0	0	0
Slovak Republic	195,969	195,969	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	13,009,257	13,009,257	0	0	0
Sweden	5,446,905	4,735,239	711,666	0	0
Switzerland	6,105,156	5,953,926	151,230	0	0
Tajikistan	25,125	0	0	0	25,125
Turkmenistan	40,197	0	0	0	40,197
Ukraine	1,517,496	0	0	0	1,517,496
United Arab Emirates	0	0	0	0	0
United Kingdom	25,576,332	24,885,526	0	8,525,444	(7,834,638)
United States of America	110,000,001	96,000,001	0	8,000,000	6,000,000
Uzbekistan	185,919	61,973	0	0	123,946
TOTAL	440,000,001	358,221,820	22,764,491	54,309,651	4,704,039

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 11: Status of Contributions for 1997 - 1999

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	8,158,353	8,158,353	0	0	0
Austria	4,768,227	4,753,065	15,162	0	0
Azerbaijan	647,706	36,818	0	0	610,888
Belarus	1,612,377	0	0	0	1,612,377
Belgium	5,553,744	5,445,264	108,480	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	68,000	68,000	0	0	0
Canada	17,102,223	15,062,418	2,039,805	0	0
Cyprus	0	0	0	0	0
Czech Republic	1,332,440	1,332,440	0	0	0
Denmark	3,955,149	3,955,149	0	0	0
Estonia	0	0	0	0	0
Finland	3,403,908	2,951,551	348,430	0	103,927
France	35,320,710	2,874,846	5,258,467	20,572,620	6,614,777
Georgia	0	0	0	0	0
Germany	49,845,885	39,876,708	9,969,177	0	0
Greece	2,094,711	2,094,711	0	0	0
Hungary	771,735	771,735	0	0	0
Iceland	165,372	165,372	0	0	0
Ireland	1,157,604	1,157,604	0	0	0
Israel	1,474,566	1,474,566	0	0	0
Italy	28,650,705	28,650,705	0	0	0
Japan	85,083,909	76,678,150	2,733,500	0	5,672,259
Kuwait	0	0	0	0	0
Latvia	139,131	139,131	0	0	0
Liechtenstein	55,125	55,125	0	0	0
Lithuania	259,310	14,975	0	0	244,335
Luxembourg	385,869	385,869	0	0	0
Malta	0	0	0	0	0
Monaco	55,125	55,125	0	0	0
Netherlands	8,750,937	8,750,937	0	0	0
New Zealand	1,322,976	1,322,976	0	0	0
Norway	3,086,946	3,086,946	0	0	0
Panama	0	0	0	0	0
Poland	1,860,435	1,860,435	0	0	0
Portugal	1,515,909	1,515,909	0	0	0
Russian Federation	24,530,184	0	0	0	24,530,184
Singapore	0	0	0	0	0
Slovak Republic	454,773	454,773	0	0	0
Slovenia	0	0	0	0	0
South Africa	592,583	592,583	0	0	0
Spain	13,023,048	13,023,048	0	0	0
Sweden	6,766,473	6,335,623	430,850	0	0
Switzerland	6,670,005	6,636,105	33,900	0	0
Tajikistan	65,746	5,333	0	0	60,413
Turkmenistan	179,154	0	0	0	179,154
Ukraine	5,555,291	0	0	0	5,555,291
United Arab Emirates	0	0	0	0	0
United Kingdom	29,298,411	26,043,034	565,000	2,690,377	0
United States of America	116,499,999	115,858,703	641,296	0	0
Uzbekistan	332,255	105,500	0	0	226,755
TOTAL	472,567,009	381,749,584	22,144,067	23,262,997	45,410,361

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 12: Status of Contributions for 1994 - 1996

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	7,845,588	7,142,371	703,217	0	0
Austria	4,123,053	4,006,425	116,628	0	0
Azerbaijan	63,182	63,182	0	0	0
Belarus	160,066	0	0	0	160,066
Belgium	5,452,741	5,452,741	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	529,218	529,218	0	0	0
Canada	16,253,343	14,815,493	1,437,850	0	0
Cyprus	122,023	122,023	0	0	0
Czech Republic	1,918,089	1,918,089	0	0	0
Denmark	3,517,291	3,312,291	205,000	0	0
Estonia	0	0	0	0	0
Finland	3,064,031	2,960,591	103,440	0	0
France	31,398,558	30,073,555	1,325,003	0	0
Georgia	0	0	0	0	0
Germany	46,731,522	45,394,604	1,336,918	0	0
Greece	1,882,874	1,882,874	0	0	0
Hungary	871,800	871,800	0	0	0
Iceland	156,911	156,911	0	0	0
Ireland	993,714	993,714	0	0	0
Israel	1,268,293	1,268,293	0	0	0
Italy	22,449,969	22,449,969	0	0	0
Japan	65,152,008	65,152,008	0	0	0
Kuwait	0	0	0	0	0
Latvia	0	0	0	0	0
Liechtenstein	52,304	52,304	0	0	0
Lithuania	0	0	0	0	0
Luxembourg	331,238	331,238	0	0	0
Malta	0	0	0	0	0
Monaco	52,304	52,304	0	0	0
Netherlands	7,997,927	7,997,927	0	0	0
New Zealand	1,255,284	1,255,284	0	0	0
Norway	2,894,111	2,894,111	0	0	0
Panama	16,915	16,915	0	0	0
Poland	1,606	1,606	0	0	0
Portugal	1,176,693	1,176,693	0	0	0
Russian Federation	31,159,609	0	0	0	31,159,609
Singapore	209,324	169,324	40,000	0	0
Slovak Republic	597,218	597,218	0	0	0
Slovenia	61,290	61,290	0	0	0
South Africa	1,992,053	1,962,053	30,000	0	0
Spain	11,022,275	11,022,275	0	0	0
Sweden	6,010,335	6,010,335	0	0	0
Switzerland	5,979,856	5,737,256	242,600	0	0
Tajikistan	0	0	0	0	0
Turkmenistan	56,603	0	0	0	56,603
Ukraine	0	0	0	0	0
United Arab Emirates	0	0	0	0	0
United Kingdom	26,270,127	26,270,127	0	0	0
United States of America	113,750,001	107,201,216	6,548,785	0	0
Uzbekistan	0	0	0	0	0
SUB-TOTAL	424,841,347	381,375,628	12,089,441	0	31,376,278
Disputed Contributions(**)	8,098,267	0	0	0	8,098,267
TOTAL	432,939,614	381,375,628	12,089,441	0	39,474,545

NB: (**) Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

Table 13: Status of Contributions for 1991 - 1993

As at 26 March 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	4,324,254	4,284,963	39,291	0	0
Austria	2,089,187	2,089,187	0	0	0
Azerbaijan	0	0	0	0	0
Belarus	276,304	0	0	0	276,304
Belgium	3,135,548	3,135,548	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	299,989	299,989	0	0	0
Canada	8,694,777	8,078,835	649,500	0	(33,558)
Cyprus	26,647	26,647	0	0	0
Czech Republic	931,484	931,484	0	0	0
Denmark	1,882,307	1,882,307	0	0	0
Estonia	0	0	0	0	0
Finland	1,510,603	1,510,603	0	0	0
France	17,199,536	17,199,536	0	0	0
Georgia	0	0	0	0	0
Germany	25,683,945	25,665,567	18,378	0	0
Greece	1,055,470	1,055,470	0	0	0
Hungary	549,125	549,125	0	0	0
Iceland	84,156	84,156	0	0	0
Ireland	504,940	504,940	0	0	0
Israel	306,443	306,443	0	0	0
Italy	11,592,538	11,592,538	0	0	0
Japan	33,349,034	33,349,034	0	0	0
Kuwait	286,549	286,549	0	0	0
Latvia	0	0	0	0	0
Liechtenstein	28,052	28,052	0	0	0
Lithuania	0	0	0	0	0
Luxembourg	168,314	168,314	0	0	0
Malta	28,052	28,052	0	0	0
Monaco	7,483	7,483	0	0	0
Netherlands	4,428,759	4,428,759	0	0	0
New Zealand	673,252	673,252	0	0	0
Norway	1,542,871	1,542,871	0	0	0
Panama	0	0	0	0	0
Poland	473,318	473,318	0	0	0
Portugal	531,587	531,587	0	0	0
Russian Federation	23,654,002	0	0	0	23,654,002
Singapore	321,897	289,921	31,976	0	0
Slovak Republic	359,154	359,154	0	0	0
Slovenia	0	0	0	0	0
South Africa	1,209,055	1,209,055	0	0	0
Spain	5,510,150	5,510,150	0	0	0
Sweden	3,261,080	3,261,080	0	0	0
Switzerland	3,136,227	3,136,227	0	0	0
Tajikistan	0	0	0	0	0
Turkmenistan	0	0	0	0	0
Ukraine	1,425,396	785,600	0	0	639,796
United Arab Emirates	559,639	559,639	0	0	0
United Kingdom	13,826,548	13,826,548	0	0	0
United States of America	60,001,569	56,374,459	3,627,110	0	0
Uzbekistan	0	0	0	0	0
TOTAL	234,929,241	206,026,442	4,366,255	0	24,536,544

Annex II

2004 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNDP

Category of performance indicator	Item	Weighting	2004 Target
Approval	Number of annual programmes of multi-year agreements approved vs. those planned	20	21
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	32
Implementation	Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	12
Implementation	ODS phased-out for individual projects vs. those planned per progress reports	5	4,919 ODP tonnes
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	113
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	N/a
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	217
Administrative	Timely submission of project completion reports vs. those agreed	5	Yes
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	On 1 May 2004

N/a—Not applicable.

Annex III

2004 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNEP

Table 1

Category of performance indicator	Item	Weighting	2004 Target
Approval	Number of annual programmes of multi-year agreements approved vs. those planned, may not be applicable to UNEP	20	Not applicable to UNEP
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	28 countries (i.e. 100%). UNEP believes that a realistic achievement is 17 countries (i.e. 60%).
Implementation	Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned, may not be applicable to UNEP	20	Not applicable to UNEP
Implementation	ODS phased-out for individual projects vs. those planned per progress reports, may not be applicable to UNEP	5	21.2 ODP tonnes from the IS project for Algeria (i.e. 100%)
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	38 projects (i.e. 100%)
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	11 projects (i.e. 100%). UNEP believes that a realistic achievement is 9 projects (i.e. 80%)
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	100%
Administrative	Timely submission of project completion reports vs. those agreed	5	Timely submission
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	Timely submission

Table 2

PERFORMANCE INDICATORS FOR UNEP'S COMPLIANCE ASSISTANCE PROGRAMME (CAP)

Indicator	Data	Assessment	2004 Target
Usefulness of the region network/thematic meetings	Average of all ratings by network meeting participants	Average versus maximum rating	Overall average of 3 on a 5-point scale.
Assistance to countries for data reporting for the purpose of establishing baselines	Number of countries with missing data that received specific CAP assistance for data reporting in order to determine compliance baselines. UNEP should give a clear indication of the assistance provided per Decision 40/11(b)(i)	Proportion of countries receiving assistance that subsequently provided data pursuant to Article 7	All 9 countries with missing baselines (as of January 2004) that accept CAP assistance.
Assistance with Article 7 data reporting	Number of countries reporting data in compliance with Article 7 of the Protocol pursuant to Decision 40/11(b)(ii)	Proportion of countries accepting assistance that achieved compliance	100% of all Article 5 countries that accept CAP assistance will have achieved compliance with Article 7 reporting requirements. UNEP believes that a realistic achievement is 114 countries (i.e. 80%)
Countries in actual or potential non-compliance as per MOP decisions	Number of countries offered assistance under the CAP and number of countries that accepted assistance (after consultations with other implementing and bilateral agencies) and received CAP special assistance outside of network meetings listing the countries and type of assistance	Proportion of countries accepting assistance that achieved compliance	39 countries in non-compliance as per MOP XV that accept CAP assistance will be in compliance. UNEP believes that a realistic achievement is 29 countries (i.e. 75%)
Countries at risk of becoming in non-compliance as per Article 7 data trends	Number of countries offered assistance under the CAP including those countries not yet officially declared in non-compliance but where data indicate as much and number of countries that accepted the offered assistance (after consultations with other implementing and bilateral agencies) and received CAP special assistance outside of network meetings, listing the countries and type of assistance	Number of countries provided special assistance outside of network meetings as a proportion of the number of countries that appeared to be in non-compliance	All countries identified as in risk of non-compliance and that accepted CAP assistance to be provided specific assistance by CAP (outside of network meetings) UNEP believes that a realistic achievement is 80%.
Information clearing-house	(a) Number of newsletter subscriptions (b) Number of discrete visitors (IP addresses) to the web site (c) Number of PDF documents downloaded from web site (d) Number of hard-copy publications disseminated (e) Number of query responses answered; average time for response	Comparison with previous years' data	The following will be based on reported figures in 2003 Progress Report: a. 5% increase in subscriptions compared to 2003. b. 10% increase in visitors compared to 2003. c. 10% increase in downloads compared to 2003. d. 5% increase documents disseminated compared to 2003. 10% increase in queries compared to 2003; 10 working days of receipt of query.

Annex IV

2004 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNIDO

Category of performance indicator	Item	Weighting	2004 Target
Approval	Number of annual programmes of multi-year agreements approved vs. those planned, may not be applicable to UNEP	20	16 approved + 14 new ones
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	7
Implementation	Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned	20	16
Implementation	ODS phased-out for individual projects vs. those planned per progress reports	5	5,666 ODP tonnes
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	70
Implementation	Policy/regulatory assistance completed vs. that planned	10	4
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	12 months
Administrative	Timely submission of project completion reports vs. those agreed	5	On time
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	On time

Annex V

2004 BUSINESS PLAN PERFORMANCE INDICATORS FOR THE WORLD BANK

Category of performance indicator	Item	Weighting	2004 Target
Approval	Number of annual programmes of multi-year agreements approved vs. those planned, may not be applicable to UNEP	20	13/13 ^(*)
Approval	Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved vs. those planned	20	10/10
Implementation	Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches vs. those planned, may not be applicable to UNEP	20	15/15
Implementation	ODS phased-out for individual projects vs. those planned per progress reports, may not be applicable to UNEP	5	8,076 ODP tonnes
Implementation	Project completion (pursuant to Decision 28/2 for investment projects) and as defined for non-investment projects vs. those planned in progress reports	5	72
Implementation	Percentage of policy/regulatory assistance completed vs. that planned	10	N/A
Administrative	Speed of financial completion vs. that required per progress report completion dates	10	3 months
Administrative	Timely submission of project completion reports vs. those agreed	5	100%
Administrative	Timely submission of progress reports and responses unless otherwise agreed	5	100%

(*) In addition to 13 Annual Programmes there are 6 new multi-year agreements included in the 2004 Business Plan, which are expected to be approved in 2004.

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
ALGERIA					
REFRIGERATION					
Refrigerant management plan					
Refrigerant management plan to phase out the use of ODS in refrigeration and air-conditioning sector: 2004 programme	UNIDO	200.0	\$524,647	\$39,349	\$563,996
	Total for Algeria	200.0	\$524,647	\$39,349	\$563,996
ANGOLA					
SEVERAL					
Institutional strengthening					
Institutional strengthening project (request for remaining balance)	Germany		\$141,618	\$18,411	\$160,029
	Total for Angola		\$141,618	\$18,411	\$160,029
ARGENTINA					
PHASE-OUT PLAN					
CFC phase out plan					
National CFC phase-out plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNIDO		\$2,740,000	\$205,500	\$2,945,500
	Total for Argentina		\$2,740,000	\$205,500	\$2,945,500
BAHAMAS					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project (phase II)	UNEP		\$21,667	\$0	\$21,667
	Total for Bahamas		\$21,667		\$21,667
BANGLADESH					
PHASE-OUT PLAN					
ODS phase out plan					
National ODS phase-out plan (first tranche): training and certification programme for refrigeration service technicians, including development of a code of good practices <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$39,500	\$5,135	\$44,635
National ODS phase-out plan (first tranche): technical assistance programme for the refrigeration servicing sub-sectors <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNDP	36.0	\$96,000	\$7,200	\$103,200
National ODS phase-out plan (first tranche): training programme for custom officers <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$21,000	\$2,730	\$23,730

List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National ODS phase-out plan (first tranche): Public awareness and information dissemination to main stakeholders <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$30,000	\$3,900	\$33,900	
National ODS phase-out plan (first tranche): monitoring and management unit <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNDP		\$34,000	\$2,550	\$36,550	
National ODS phase-out plan (first tranche): technical assistance for the phase-out of ODS solvents <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNDP		\$25,000	\$1,875	\$26,875	
	Total for Bangladesh	36.0	\$245,500	\$23,390	\$268,890	
BARBADOS						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigerant management plan for refrigeration end-user	UNDP		\$8,000	\$600	\$8,600	
SEVERAL						
Institutional strengthening						
Extension of Institutional strengthening project (phase III) <i>Approved for one year only on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance.</i>	UNEP		\$58,500	\$0	\$58,500	
	Total for Barbados		\$66,500	\$600	\$67,100	
BELIZE						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigerant management plan update: investment components	UNDP		\$20,000	\$1,500	\$21,500	
	Total for Belize		\$20,000	\$1,500	\$21,500	
BOLIVIA						
REFRIGERATION						
Commercial						
Terminal umbrella project for the commercial manufacturing sector	UNDP	5.8	\$88,840	\$7,995	\$96,835	15.31
	Total for Bolivia	5.8	\$88,840	\$7,995	\$96,835	
BOSNIA AND HERZEGOVINA						
HALON						
Banking						
Phase-out of halon consumption <i>Approved on the condition that, with the approval of the project, the Government agreed to ban the import of new halons, in accordance with the applicable guidelines.</i>	UNIDO		\$64,600	\$5,814	\$70,414	
	Total for Bosnia and Herzegovina		\$64,600	\$5,814	\$70,414	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
BRAZIL						
SOLVENT						
Preparation of project proposal						
Project preparation for the formulation of CTC as process agent	UNDP		\$32,000	\$2,400	\$34,400	
	Total for Brazil		\$32,000	\$2,400	\$34,400	
CAPE VERDE						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigerant management plan: investment components	UNDP		\$24,000	\$1,800	\$25,800	
	Total for Cape Verde		\$24,000	\$1,800	\$25,800	
CHILE						
HALON						
General						
Halon consumption phase-out: Part A: technical assistant programme; Part B: halon recycling and recovery equipment	IBRD		\$60,000	\$4,500	\$64,500	
<i>Approved on the condition that, with the approval of the project, the Government agreed to ban the import of new halons, in accordance with the applicable guidelines.</i>						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigeration commercial project	UNDP		\$32,000	\$2,400	\$34,400	
	Total for Chile		\$92,000	\$6,900	\$98,900	
CHINA						
OTHER						
Tobacco fluffing						
Tobacco sector plan for CFC-11 phase-out: 2004 workplan	UNIDO	200.0	\$1,800,000	\$135,000	\$1,935,000	9.00
PROCESS AGENT						
Preparation of project proposal						
Project preparation for the second phase of process agents phase-out plan	IBRD		\$125,000	\$9,375	\$134,375	
PRODUCTION						
CFC closure						
Sector plan for CFC production phase-out: 2004 work programme	IBRD		\$13,000,000	\$975,000	\$13,975,000	
<i>A total of 4,700 ODP tonnes will be phased out in the production sector</i>						
SOLVENT						
Multiple solvents						
ODS phase-out in China solvent sector: 2004 tranche	UNDP	733.0	\$5,555,000	\$416,625	\$5,971,625	7.58
	Total for China	933.0	\$20,480,000	\$1,536,000	\$22,016,000	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
COTE D'IVOIRE						
FUMIGANT						
Methyl bromide						
Phase-out the use of methyl bromide commodities and storage fumigation	UNIDO	8.5	\$222,210	\$19,999	\$242,209	26.14
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Cote D'Ivoire		8.5	\$222,210	\$19,999	\$242,209	
CROATIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan: 2004 annual implementation programme	UNIDO		\$48,300	\$3,623	\$51,923	
Terminal phase-out management plan: 2004 annual implementation programme	Sweden		\$24,700	\$1,853	\$26,553	
Total for Croatia			\$73,000	\$5,476	\$78,476	
DOMINICA						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project (phase II)	UNEP		\$13,000	\$0	\$13,000	
<i>Approved for one year only on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance.</i>						
Total for Dominica			\$13,000		\$13,000	
DOMINICAN REPUBLIC						
SEVERAL						
Preparation of project proposal						
Project preparation for augmentation to prepare terminal phase-out management plan	UNDP		\$7,500	\$563	\$8,063	
Total for Dominican Republic			\$7,500	\$563	\$8,063	
ECUADOR						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project (phase III)	IBRD		\$176,800	\$13,260	\$190,060	
Total for Ecuador			\$176,800	\$13,260	\$190,060	
EL SALVADOR						
REFRIGERATION						
Refrigerant management plan						
Refrigerant management plan update: Monitoring programme	UNDP		\$41,000	\$3,690	\$44,690	
<i>(c) UNDP would provide appropriate monitoring throughout project implementation.</i>						
Refrigerant management plan update: Technical assistance for certification and licensing of refrigeration technicians	UNDP		\$77,300	\$6,957	\$84,257	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Refrigerant management plan update: Technical assistance for the refrigeration sector	UNDP	56.5	\$231,700	\$20,853	\$252,553	4.10
<i>The Government would have flexibility in utilizing the resources available to address specific needs that might arise during project implementation; and to the extent possible, the programme would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i>						
Total for El Salvador		56.5	\$350,000	\$31,500	\$381,500	
GUINEA						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigerant management plan update: investment components	UNDP		\$20,000	\$1,500	\$21,500	
Total for Guinea			\$20,000	\$1,500	\$21,500	
INDIA						
PRODUCTION						
CFC conversion						
CFC production sector gradual phase-out project: 2004 annual work programme	IBRD		\$6,000,000	\$450,000	\$6,450,000	
<i>The Government of India and the World Bank were requested to assist the CFC producers in reducing filling losses under the technical assistance programme funded under the production sector phase-out agreement. The Government of India was also requested to make available to the Secretariat a copy of the assessment of the application of CFC-113 in the production of trifluoroacetic acid, once it had been completed.</i>						
<i>Note A total of 1,832 ODP tonnes will be phased out in the production sector</i>						
REFRIGERATION						
Multiple-subsectors						
National CFC consumption phase-out plan focussing on the refrigeration service sector (first tranche)	UNDP		\$277,200	\$20,790	\$297,990	
National CFC consumption phase-out plan focussing on the refrigeration service sector (first tranche)	Switzerland		\$353,020	\$45,893	\$398,913	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (first tranche)	Germany		\$414,370	\$53,868	\$468,238	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (first tranche)	UNEP		\$256,300	\$33,319	\$289,619	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
PHASE-OUT PLAN						
ODS phase out plan						
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan <i>The Committee took note of the verified CTC imports of 2001 at 23,006.94 MT, which is within 10% difference from the 24,661 MT reported in the sector plan and as a result the funding level of the sector plan should remain unchanged.</i>	Japan		\$2,500,000	\$280,000	\$2,780,000	
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan <i>The Committee took note of the verified CTC imports of 2001 at 23,006.94 MT, which is within 10% difference from the 24,661 MT reported in the sector plan and as a result the funding level of the sector plan should remain unchanged.</i>	France		\$1,000,000	\$85,000	\$1,085,000	
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan <i>The Committee took note of the verified CTC imports of 2001 at 23,006.94 MT, which is within 10% difference from the 24,661 MT reported in the sector plan and as a result the funding level of the sector plan should remain unchanged.</i>	Germany		\$700,000	\$57,500	\$757,500	
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan <i>The Committee took note of the verified CTC imports of 2001 at 23,006.94 MT, which is within 10% difference from the 24,661 MT reported in the sector plan and as a result the funding level of the sector plan should remain unchanged.</i>	IBRD		\$9,180,112	\$688,508	\$9,868,620	
	Total for India		\$20,681,002	\$1,714,878	\$22,395,880	
INDONESIA						
FOAM						
Multiple-subsectors						
Phaseout of residual CFCs in the foam sector <i>The World Bank was requested to incorporate the project, including the amounts approved in principle into a draft national CFC phase out agreement; and to approve an amount of US \$100,000 to the World Bank to initiate activities essential for the implementation of the project. The amount should be offset against the amount approved in principle for the project and accounted for in the funding disbursement schedule of the eventual CFC phase-out agreement.</i>	IBRD		\$100,000	\$7,500	\$107,500	
	Total for Indonesia		\$100,000	\$7,500	\$107,500	
IRAN						
SOLVENT						
Preparation of project proposal						
Preparation of investment projects in the solvent sector CTC/TCA	UNIDO		\$15,000	\$1,125	\$16,125	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase out plan: First annual implementation plan for 2004 (second tranche)	Germany		\$946,405	\$104,105	\$1,050,509	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National CFC phase out plan: First annual implementation plan for 2004 (second tranche)	UNDP		\$770,000	\$57,750	\$827,750	
National CFC phase out plan: First annual implementation plan for 2004 (second tranche)	UNIDO	274.1	\$2,104,066	\$157,805	\$2,261,871	7.68
	Total for Iran	274.1	\$3,835,471	\$320,785	\$4,156,255	
JAMAICA						
SOLVENT						
Technical assistance/support						
Technical assistance umbrella project to phase out ODS solvent use	UNDP		\$25,000	\$2,250	\$27,250	
<i>Approved on the understanding that Jamaica will not seek any additional funding for phase out of ODS in the solvent sector.</i>						
	Total for Jamaica		\$25,000	\$2,250	\$27,250	
KENYA						
FUMIGANT						
Methyl bromide						
Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (second tranche)	Germany	12.0	\$172,347	\$22,405	\$194,752	
SOLVENT						
Preparation of project proposal						
Project preparation for the formulation of solvent sectoral phase-out plan	UNDP		\$20,000	\$1,500	\$21,500	
	Total for Kenya	12.0	\$192,347	\$23,905	\$216,252	
KOREA, DPR						
PRODUCTION						
CFC closure						
Closure of ODS production plant: verification of complete closure of all CFC-11 and CFC-12 production facilities (second tranche)	UNIDO		\$733,700	\$36,685	\$770,385	
<i>The Committee took note of the verification report submitted by UNIDO.</i>						
REFRIGERATION						
Domestic/commercial						
Sectoral phase-out in domestic refrigeration sector by conversion of refrigeration and compressor manufacture at 5th October Electronic and Automation Company (second tranche)	UNIDO	56.0	\$981,011	\$73,576	\$1,054,587	
	Total for Korea, DPR	56.0	\$1,714,711	\$110,261	\$1,824,972	
LEBANON						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation for the formulation of a CFC phase-out plan (finalization)	UNDP		\$16,000	\$1,200	\$17,200	
	Total for Lebanon		\$16,000	\$1,200	\$17,200	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MACEDONIA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project: phase IV	UNIDO		\$132,347	\$9,926	\$142,273	
Total for Macedonia			\$132,347	\$9,926	\$142,273	
MALAYSIA						
FUMIGANT						
Preparation of project proposal						
Project preparation for the formulation of fumigant methyl bromide (finalization)	UNDP		\$10,000	\$750	\$10,750	
Total for Malaysia			\$10,000	\$750	\$10,750	
MEXICO						
FOAM						
Multiple-subsectors						
CFC phase-out plan for the foam sector (second tranche)	UNDP	192.0	\$1,109,120	\$83,184	\$1,192,304	5.78
<i>UNDP was requested to present annually at each first meeting of the year a progress report on the implementation of the phase-out plan until completion of the plan expected to be completed in 2006.</i>						
FUMIGANT						
Methyl bromide						
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	UNIDO	36.9	\$207,035	\$18,633	\$225,668	5.61
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	Spain	107.2	\$707,965	\$87,876	\$795,841	6.60
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	Canada	18.2	\$190,000	\$24,700	\$214,700	10.44
PRODUCTION						
CFC closure						
Sector plan for phasing out CFC-11 and CFC-12 production sector (second tranche)	UNIDO		\$10,700,000	\$802,500	\$11,502,500	
<i>The Executive Committee requested that future verifications include greater detail about the methodology used and the specific steps undertaken; UNIDO to include in the verification team a member with a financial accounting background; and UNIDO and other implementing agencies to use actual tonnes of CFC and other ODS produced, not tonnes sold, when recording and verifying CFC and other ODS production phase-outs.</i>						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche)	UNIDO		\$3,517,000	\$263,775	\$3,780,775	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Mexico			354.3	\$16,431,120	\$1,280,668	\$17,711,788

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
NICARAGUA						
AEROSOL						
Preparation of project proposal						
Project preparation for the formulation of transitional strategy for aerosol inhalant drug products	UNDP		\$30,000	\$2,250	\$32,250	
Total for Nicaragua			\$30,000	\$2,250	\$32,250	
NIGER						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP update: training for customs technicians	UNEP		\$25,000	\$3,250	\$28,250	
Implementation of the RMP update: train the trainer programme for refrigeration service technicians	UNEP		\$55,747	\$7,247	\$62,994	
Implementation of the RMP update: monitoring of the activities	UNEP		\$23,000	\$2,990	\$25,990	
Total for Niger			\$103,747	\$13,487	\$117,234	
PAKISTAN						
REFRIGERATION						
Commercial						
Phaseout of the use of CFC-11 and CFC-12 in the manufacture of refrigeration equipment at Dawlance, United Refrigeration, Ice Age and at 29 small enterprises <i>Approved with the provisos that the Government has the flexibility to utilize the available resources to address other enterprises in the refrigeration sector, which might be identified during the implementation of the project, and that no further funding will be requested for phase out of CFCs in the refrigeration sector.</i>	IBRD	181.3	\$1,126,855	\$84,514	\$1,211,369	6.21
Total for Pakistan		181.3	\$1,126,855	\$84,514	\$1,211,369	
PHILIPPINES						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project <i>Approved for one year only on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance.</i>	IBRD	7.5	\$90,566	\$6,792	\$97,358	12.10
Total for Philippines		7.5	\$90,566	\$6,792	\$97,358	
ROMANIA						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation: CFC phaseout plan (aerosol and refrigeration)	UNIDO		\$10,000	\$750	\$10,750	
Total for Romania			\$10,000	\$750	\$10,750	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SAINT KITTS AND NEVIS						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project (phase II) <i>Approved for one year only on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance.</i>	UNEP		\$13,000	\$0	\$13,000	
Total for Saint Kitts and Nevis			\$13,000		\$13,000	
SAINT VINCENT AND THE GRENADINES						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project (phase II) <i>Approved for one year only on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance.</i>	UNEP		\$13,130	\$0	\$13,130	
Total for Saint Vincent and the Grenadines			\$13,130		\$13,130	
SUDAN						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase IV	UNEP	12.1	\$145,860	\$0	\$145,860	
Total for Sudan			\$145,860		\$145,860	
SURINAME						
REFRIGERATION						
Preparation of project proposal						
Project preparation for the formulation of refrigerant management plan: investment components	UNDP		\$12,000	\$900	\$12,900	
Total for Suriname			\$12,000	\$900	\$12,900	
THAILAND						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2004 annual implementation plan	IBRD	486.0	\$1,315,400	\$118,386	\$1,433,786	
Total for Thailand			\$1,315,400	\$118,386	\$1,433,786	
TUNISIA						
SEVERAL						
Preparation of project proposal						
Preparation of country programme update	IBRD		\$80,000	\$7,200	\$87,200	
Total for Tunisia			\$80,000	\$7,200	\$87,200	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/42/54
Annex VI

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
VENEZUELA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche)	UNIDO		\$1,895,062	\$142,130	\$2,037,192	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Venezuela			\$1,895,062	\$142,130	\$2,037,192	
ZAMBIA						
REFRIGERATION						
Refrigerant management plan						
Refrigerant management plan update: refrigeration and air conditioning sector	Germany		\$136,000	\$17,680	\$153,680	
<i>The Government would have flexibility in utilizing the resources available under the RMP update, to address specific needs that might arise during project implementation; to the extent possible, the project would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved; and the Government of Germany would provide appropriate monitoring throughout project implementation.</i>						
Total for Zambia			\$136,000	\$17,680	\$153,680	
ZIMBABWE						
SOLVENT						
Preparation of project proposal						
Project preparation for the re-formulation of solvent technical assistance	UNDP		\$24,000	\$1,800	\$25,800	
Total for Zimbabwe			\$24,000	\$1,800	\$25,800	
GLOBAL						
SEVERAL						
Technical assistance/support						
Assistance for regional awareness raising	UNEP		\$200,000	\$26,000	\$226,000	
Total for Global			\$200,000	\$26,000	\$226,000	
GRAND TOTAL		2,623.0	\$73,737,500	\$5,815,969	\$79,553,469	

Summary

UNEP/OzL.Pro/ExCom/42/54
Annex VI

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant	137.4	\$1,070,312	\$134,981	\$1,205,293
Refrigeration		\$903,390	\$117,441	\$1,020,831
Phase-out plan		\$5,171,105	\$528,458	\$5,699,562
Several		\$141,618	\$18,411	\$160,029
TOTAL:	137.4	\$7,286,425	\$799,291	\$8,085,715
INVESTMENT PROJECT				
Foam	192.0	\$1,209,120	\$90,684	\$1,299,804
Fumigant	45.4	\$429,245	\$38,632	\$467,877
Halon		\$124,600	\$10,314	\$134,914
Other	200.0	\$1,800,000	\$135,000	\$1,935,000
Production		\$30,433,700	\$2,264,185	\$32,697,885
Refrigeration	499.6	\$3,708,600	\$304,530	\$4,013,130
Solvent	733.0	\$5,555,000	\$416,625	\$5,971,625
Phase-out plan	796.1	\$21,815,440	\$1,660,867	\$23,476,307
TOTAL:	2,466.1	\$65,075,705	\$4,920,837	\$69,996,542
WORK PROGRAMME AMENDMENT				
Aerosol		\$30,000	\$2,250	\$32,250
Fumigant		\$10,000	\$750	\$10,750
Process agent		\$125,000	\$9,375	\$134,375
Refrigeration		\$116,000	\$8,700	\$124,700
Solvent		\$116,000	\$9,075	\$125,075
Phase-out plan		\$26,000	\$1,950	\$27,950
Several	19.5	\$952,370	\$63,741	\$1,016,111
TOTAL:	19.5	\$1,375,370	\$95,841	\$1,471,211
Summary by Parties and Implementing Agencies				
Canada	18.2	\$190,000	\$24,700	\$214,700
France		\$1,000,000	\$85,000	\$1,085,000
Germany	12.0	\$2,510,740	\$273,969	\$2,784,708
Japan		\$2,500,000	\$280,000	\$2,780,000
Spain	107.2	\$707,965	\$87,876	\$795,841
Sweden		\$24,700	\$1,853	\$26,553
Switzerland		\$353,020	\$45,893	\$398,913
IBRD	674.7	\$31,254,733	\$2,365,035	\$33,619,768
UNDP	1,023.3	\$8,585,660	\$650,882	\$9,236,542
UNEP	12.1	\$915,704	\$84,571	\$1,000,275
UNIDO	775.5	\$25,694,978	\$1,916,190	\$27,611,168
GRAND TOTAL	2,623.0	\$73,737,500	\$5,815,969	\$79,553,469

ADJUSTMENTS ARISING FROM THE 42ND MEETING OF THE EXECUTIVE COMMITTEE FOR PROJECTS AND ACTIVITIES

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
IBRD	1,000,000	95,000	1,095,000
UNDP	526,634	68,463	595,097
UNIDO	1,048,283	117,428	1,165,711
Total Adjustments	2,574,917	280,891	2,855,808

NET TRANSFERS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON DECISION OF THE 42ND MEETING OF THE EXECUTIVE COMMITTEE

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
Canada*	190,000	24,700	214,700
France*	1,000,000	85,000	1,085,000
Germany**	2,510,740	273,969	2,784,708
Japan*	2,500,000	280,000	2,780,000
Spain*	707,965	87,876	795,841
Sweden*	24,700	1,853	26,553
Switzerland*	353,020	45,893	398,913
IBRD	30,254,733	2,270,035	32,524,768
UNDP	8,059,026	582,419	8,641,445
UNEP	915,704	84,571	1,000,275
UNIDO	24,646,695	1,798,762	26,445,457
Total Transfers	71,162,583	5,535,078	76,697,660

* To be credited against 2004 contributions.

** Of this amount, US \$1,866,181 should be credited against 2004 contributions and US \$918,527 should be credited against 2005 contributions after taking into account net adjustments amounting to a total of US \$15,339 to account for Decision 39/14 not previously accounted for and Decisions 40/9 and 40/24 that were accounted for twice.

FUNDS OBLIGATED FOR EXTRA-BUDGETARY ALLOCATION TO BE MANAGED BY THE FUND SECRETARIAT

			Total allocated
Budget approved at 40th Meeting	US \$301,000 per annum starting 1 September 2003 Decision 40/3	US \$100,333 for period 1 September 2003 - 31 December 2003	US \$100,333
		US \$100,333 for period January - March 2004	US \$75,250
Budget revised and approved at 42nd Meeting	US \$500,000 per annum starting 1 April 2004 Decision 42/42	US \$375,000 for period 1 April – 31 December 2004	US \$375,000
Total UNEP Treasury fees approved at 40th and 42nd Meetings			US \$550,583

Annex VII

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 42nd MEETING

Barbados

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Barbados and notes with concern that the consumption levels for methyl bromide reported to the Ozone Secretariat are higher than its 1995-1998 average methyl bromide consumption and that, as a consequence, Barbados may have difficulties in complying with the Montreal Protocol measures. Despite this, the Executive Committee notes that within the framework of the institutional strengthening project, Barbados has taken significant steps to phase out its ODS consumption. Specifically, intensifying its awareness activities; organizing seminars for stakeholders; strengthening ties with the customs department for more accurate data reporting and developing and finalizing the importation licensing system. The Executive Committee greatly supports the efforts of Barbados to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that Barbados will continue with the implementation of its country programme and refrigerant management plan activities with continuing success in the reduction of current CFC consumption levels.

Ecuador

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Ecuador. The Committee notes with appreciation that Ecuador has successfully complied with its consumption freeze targets for the past four years and that, having put in place its national phase-out plan, it will meet its CFC consumption targets by 2005. The Committee acknowledges, and will continue to support, the considerable steps that have been taken by the Government of Ecuador to reduce its ODS consumption. These actions include a ban on imports of refrigeration equipment containing R-12 and R-502, a ban on the registration of aerosol products that contain ODS and the need to request permits for imports of methyl bromide. The Executive Committee is therefore hopeful that Ecuador will continue its strategic approach to ODS phase-out, including the implementation of ongoing projects and the enactment of supporting legislative measures.

Former Yugoslav Republic of Macedonia

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for the Former Yugoslav Republic of Macedonia and notes with appreciation that Macedonia is in compliance with the 1999 CFC consumption freeze level and it expects to achieve a complete methyl bromide phase-out by end of 2005. The implementation of the aerosol phase-out project and refrigerant management plan will contribute towards the interim reductions in consumption of CFCs in 2005. The Executive Committee also notes the number of activities that the Government of Macedonia has undertaken to further improve the legislative framework, to ratify the Beijing Amendment to the Montreal Protocol

and to issue an import permit for all ODSs. The Executive Committee expresses the expectation that, in the coming years, Macedonia will continue with the progress achieved and sustain and build upon its current level of ODS reduction to achieve its goal of complying with the Protocol's ODS phase-out schedules.

Dominica

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Dominica and notes with great concern that Dominica failed to report CFC consumption data for the control period 1 July 2001 – 31 December 2002 and that the consumption levels reported to the Ozone Secretariat is higher than its 1995-1997 average CFC consumption and that, as a consequence, Dominica may have difficulties in complying with the Montreal Protocol measures. Despite this, the Executive Committee notes that within the framework of the institutional strengthening project, Dominica has taken significant steps to phase out its ODS consumption. Specifically, intensifying its awareness activities; organizing training workshops for refrigeration service technicians; developing a network for information sharing and introducing regulations and mandatory codes of good practices in refrigeration. The Executive Committee greatly supports the efforts of Dominica to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that Dominica will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Philippines

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for the Philippines. The Committee notes with appreciation that the Philippines has successfully put in place its national phase-out plan, and that therefore it will meet its CFC consumption targets by 2005. The Committee acknowledges the significant steps that have been taken by the Government of the Philippines to reduce its ODS consumption. These actions include, among others, interagency coordination efforts to ensure national compliance with Montreal Protocol commitments, as well as training, monitoring, enforcement activities and awareness raising campaigns. The Executive Committee trusts that the Philippines will continue its integrated approach to ODS phase-out and hopes that these efforts would contribute to early return to compliance with its consumption requirements for methyl bromide.

Saint Kitts and Nevis

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Saint Kitts and Nevis and expresses concern that Saint Kitts and Nevis failed to report CFC consumption data for the control period 1 July 2001 - 31 December 2002 and that the consumption reported for the 2002 to the Ozone Secretariat is higher than its 1995-1997 average CFC consumption, and that as a consequence, Saint Kitts and Nevis may have difficulties in complying with the Montreal Protocol measures. Despite this, the Executive Committee notes that within the framework of the institutional strengthening project, Saint Kitts and Nevis has taken significant steps to phase out its ODS

consumption. Specifically, intensifying its awareness activities, organizing training workshops for refrigeration service technicians and developing a network for information sharing. The Executive Committee greatly supports the efforts of Saint Kitts and Nevis to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that Saint Kitts and Nevis will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Saint Vincent and the Grenadines

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Saint Vincent and the Grenadines and expresses grave concern that the consumption reported for the period 2000-2002 to the Ozone Secretariat has consistently been higher than its 1995-1997 average CFC consumption, and that as a consequence, Saint Vincent and the Grenadines may have difficulties in complying with the Montreal Protocol measures. The Committee expresses similar concern that Saint Vincent and the Grenadines has not been responsive to the decisions of the Parties to the Montreal Protocol. Despite this, the Executive Committee notes that within the framework of the institutional strengthening project, Saint Vincent and the Grenadines has taken some significant steps to phase out its ODS consumption. Specifically, continuing its awareness-raising activities, disseminating information on CFC-free technology and retrofitting of existing equipment; organizing training workshops for customs officers and refrigeration technicians; and introducing mandatory codes of good practices in refrigeration and regulation to achieve zero venting of refrigerants. The Executive Committee greatly supports the efforts of Saint Vincent and the Grenadines to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that Saint Vincent and the Grenadines will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success to achieve reductions in its current ODS consumption levels.

Sudan

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Sudan and notes with appreciation that Sudan reported data to the Ozone Secretariat was lower than its 1995-1997 average CFC compliance baseline. Sudan therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Sudan has taken significant steps to phase out its ODS consumption. Specifically, continuing the monitoring of imports and trade of ODS and ODS-based equipment and enforcing regulatory and legislative measures; promoting regional and international co-operation in development, exchange of information and transfer of alternative technologies, intensifying its awareness activities and collecting and reporting of consumption data. The Executive Committee greatly supports the efforts of Sudan to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that Sudan will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Annex VIII

AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF BANGLADESH AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL PHASE-OUT OF ANNEX A (GROUP I) SUBSTANCES AND ANNEX B (GROUPS II AND III) SUBSTANCES

1. This Agreement represents the understanding of the Peoples Republic of Bangladesh (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the "Substances") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 7 of Appendix 2-A (the "Targets") and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 12 of Appendix 2-A (the "Funding") to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the "Funding Disbursement Schedule").
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration servicing subsectors would be implemented in stages so that resources can be diverted to other activities such as, additional training or procurement of service tools, in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP (the “Lead IA”) has agreed to be the lead implementing agency and UNEP (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 13 and 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. At the discretion

of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

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

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

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

Appendices

Appendix 1-A: The Substances

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

Appendix 2-A: The Targets, and Funding

	2004	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	580.4	290.2	290.2	87.1	87.1	87.1	0	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)(*)	328.7	289.7	207.2	87.1	71.0	53.0	0	
3. Reduction from ongoing projects (RMP)	3.0	5.0	11.6	11.6	11.6	11.6	0	
4. New reduction under plan	36.0	77.5	108.5	3.3	6.4	28.8	0	
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	39.0	82.5	120.1	14.9	18.0	40.4	0	
6. Max allowable total consumption of Annex B Groups II and III substances (ODP tonnes)	6.6	1.5	1.5	1.5	1.5	1.5		
7. Maximum agreed total consumption of Annex B Groups II and III substances (ODP tonnes)	6.6	1.5	1.5	1.5	1.5	1.5	0	
8. New reduction under plan		7.1					0	
9. Total annual reduction of Annex B Groups II and III substances (ODP tonnes)		7.1						
10. UNDP agreed funding (US \$)	155,000	516,000	134,000	55,000	55,000	55,000	55,000	1,025,000
11. UNEP agreed funding (US \$)	90,500	125,500	30,500	30,500	30,500	22,500		330,000
12. Total agreed funding (US \$)	245,500	641,500	164,500	85,500	85,500	77,500	55,000	1,355,000
13. UNDP support costs (US \$)	11,625	38,700	10,050	4,125	4,125	4,125	4,125	76,875
14. UNEP support cost (US \$)	11,765	16,315	3,965	3,965	3,965	2,925		42,900
15. Total agency support costs (US \$)	23,390	55,015	14,015	8,090	8,090	7,050	4,125	119,775

(*) Of the 328.7 ODP tonnes of CFCs, 194 ODP tonnes are eligible for funding by the Multilateral Fund

Appendix 3-A: Funding Disbursement Schedule

1. Funding will be submitted for approval at the first meeting of the year for activities to be completed in that year. Seven submissions for funding are being proposed. The schedule of submissions for funding will be:

Year	Milestone	Disbursement (US \$)
March 2004	Approval of the Programme	245,500
March 2005	36.0 ODP Phase Out from NPP + 3.0 ODP Phase Out from ongoing RMP, Code of Practice ready, certification of technicians started, 4,000 technicians trained, 1,000 Fridges retrofitted, TA seminar for large commercial R&AC users completed, Customs training started, Solvent workshop completed, PMU in place	641,500
March 2006	77.5 ODP Phase Out from NPP + 5.0 ODP Phase Out from ongoing RMP, 4,000 technicians trained, 1,500 fridges and 125 cars retrofitted + 7.05 ODP Tonnes phase out in the Solvent sector	164,500
March 2007	108.5 ODP Phase Out from NPP + 11.60 ODP Phase Out from ongoing RMP, another 3,000 technicians trained, 1,500 fridges and 125 cars retrofitted	85,500
March 2008	3.25 ODP Phase Out from NPP + 11.60 ODP Phase Out from ongoing RMP, another 3,000 technicians trained	85,500
March 2009	6.4 ODP Phase Out from NPP + 11.60 ODP Phase Out from ongoing RMP, another 3,000 technicians trained	77,500
March 2010	41.38 ODP Phase Out from NPP + 11.60 ODP Phase Out from ongoing RMP, another 4,000 technicians trained	55,000

Note

NPP = national phase-out plan
PMU = project management unit
TA = technical assistance

Appendix 4-A: Format of Annual Implementation Programme

- Data**

Country _____

Year of plan _____

of years completed _____

of years remaining under the plan _____

Target ODS consumption of the preceding year _____

Target ODS consumption of the year of plan _____

Level of funding requested _____

Lead implementing agency _____

Co-operating agency(ies) _____

2. Targets

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

3. Industry Action

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

4. Technical Assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this NPP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.
3. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.
4. Each of the different projects within the NPP will need a different monitoring sub-programme suited to the objectives of the project.

Verification and reporting

5. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

Institution for conducting the verification

6. The Government of Bangladesh wishes to designate UNDP as the independent organization to carry out the verification of the NPP results and the monitoring programme.

Frequency of verification and reporting

7. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

Appendix 6-A: Role of the Lead IA

1. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;

- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2005;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

Appendix 6-B: Role of Cooperating IA

1. The cooperating implementing agency, will:
 - (a) Provide policy development assistance when required;
 - (b) Assist the Government of Bangladesh in the implementation and verification of the activities funded for UNEP; and
 - (c) Provide reports to the lead IA on these activities, for inclusion in the consolidated reports.

Appendix 7-A: Reductions in Funding for Failure to Comply

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,480 per ODP tonne of reductions in consumption not achieved in the year.

Annex IX**AGREEMENT BETWEEN ARGENTINA AND
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of Argentina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the country set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of the country in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances, other than funding for the MDI sector which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 7 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of

Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding

by the amounts set out in Appendix 7-A in respect of each ODP tonne of the reductions in consumption¹ not achieved in any one year.

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

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

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

¹ As measured according to Article 7 of the Protocol.

Appendix 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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Appendix 2-A: THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	4,697.2	2,348.6	2,348.6	704.6	704.6	704.6	0.0
1. Max allowable total consumption of CFCs ² (ODP tonnes)	3,220.0	2,047.0	1,997.0	686.0	636.0	586.0	0.0
2. Total demand of CFCs ¹ (ODP tonnes)	2,429.5	2,189.7	1,668.0	1,268.0	868.0	518.0	158.5 ³
3. Reduction from on-going projects (ODP tonnes)	149.1	139.8	317.7	0.0	0.0	0.0	0.0
4. New reduction under plan ⁴ (ODP tonnes)	0.0	100.0	200.0	400.0	400.0	350.0	359.5
5. Total annual reduction (ODP tonnes)	149.1	239.8	521.7	400.0	400.0	350.0	359.5
6. Stockpile ⁵ (ODP tonnes)	2,421.2	2,278.5	2,607.5	2,025.5	1,793.5	1,861.5	1,703.0
7. Lead I.A. agreed funding ⁶	2,740,000	2,350,000	1,103,500	1,167,350			
8. Lead I.A. support costs	205,500	176,250	82,763	87,551			
9. Total agreed funding (US \$ million)	2,945,500	2,526,250	1,186,263	1,254,901			

¹ Estimated.

² Article 7 data (production – export + import) constitute the target under this Agreement.

³ Save for essential uses.

⁴ Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

⁵ For information purposes

⁶ Funding for CFC reduction activities of eligible consumption in all sectors except the MDI sector. Funding for the MDI sector will be considered in the future in line with the prevailing eligibility and funding criteria.

Appendix 3-A: FUNDING DISBURSEMENT SCHEDULE

1. Funding will be considered for approval at the first meeting in the year of the annual plan.

Appendix 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. **Data**

- Country
- Year of plan
- # of years completed
- # of years remaining under the plan
- Target ODS consumption of the preceding year
- Target ODS consumption of the year of plan
- Level of funding requested
- Lead implementing agency
- Co-operating agency

2. **Targets**

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
Total (2)				

Annex X

**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN
COMMODITIES AND STORAGE FUMIGATION IN COTE D'IVOIRE**

1. The Executive Committee agrees to approve in principle US \$222,210 as the total funds that will be available to achieve commitments stipulated in this document for the phase-out of the use of methyl bromide in Cote d'Ivoire, subject to the following understandings and considerations.
2. As reported, to the Ozone Secretariat and consistent with information in the project document presented to the 42nd Executive Committee, the methyl bromide baseline for compliance for Cote d'Ivoire is 8.1 ODP tonnes and the methyl bromide consumption of controlled uses for 2003 is 8.5 ODP tonnes. Accordingly, Cote d'Ivoire must reduce its 2003 consumption of MB to 6.5 ODP tonnes to achieve compliance with the Montreal Protocol's 20 per cent reduction in 2005.
3. Methyl bromide reductions, in accordance with the terms of this project, will ensure that Cote d'Ivoire will meet the reduction target listed below. Specifically, Cote d'Ivoire commits, through the implementation of this project, to reduce its total national consumption of controlled uses of methyl bromide to no more than the following levels during the 12-month period for the following listed years:

Year	(ODP tonnes)	
	Amount to be phased out	Remaining consumption*
2003		8.5
2004	2.2	6.3
2005	2.5	3.8
2006	3.8	0
Total	8.5	0

* Controlled uses of methyl bromide.

4. In addition Cote d'Ivoire, commits itself to sustain the phase out plan through the introduction of import restrictions and controlled use of methyl bromide for all non-exempted methyl bromide uses. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Cote d'Ivoire exceeds subsequent phase-out requirements of the Montreal Protocol.
5. The Government of Cote d'Ivoire has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should further MB consumption in addition to that indicated in paragraph 2 above (8.5 ODP tonnes) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

6. The Government of Cote d'Ivoire will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above.

7. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the use of the alternative selected and the inputs purchased with the project funds. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

Annex XI

AGREEMENT BETWEEN MEXICO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Mexico (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 7 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be

met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the reductions in consumption¹ not achieved in any one year.

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

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

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

¹ As measured according to Article 7 of the Protocol.

Appendix 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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Appendix 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	4,625	2,312	2,312	694	694	694	0
1. Max allowable total consumption of CFCs ² (ODP tonnes)	4,403	2,205	150	50	50	50	0
2. Total demand of CFCs (ODP tonnes) ¹	1,932	1,667	1,190	725	425	195	140 ³
3. Reduction from on-going projects (ODP tonnes)	40	165	77	15	0	0	0
4. New reduction under plan ⁴ (ODP tonnes)	0	100	400	450	300	230	55
5. Total annual reduction (ODP tonnes)	40	265	477	465	300	230	55
6. Stockpile ⁵ (ODP tonnes)	2,815	3,353	2,314	1,639	1,264	1,119	979
7. Lead I.A. agreed funding (US \$)	3,517,000	4,978,000	299,500				
8. Lead I.A. support costs (US \$)	263,775	373,350	22,463				
9. Total agreed funding (US \$)	3,780,775	5,351,350	321,963				

¹ Estimated.

² Article 7 data (production – export + import) constitute the target under this Agreement.

³ Save for essential uses.

⁴ Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

⁵ For information purposes.

Appendix 3-A: FUNDING DISBURSEMENT SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the annual plan.

Appendix 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. **Data**

- Country
- Year of plan
- # of years completed
- # of years remaining under the plan
- Target ODS consumption of the preceding year
- Target ODS consumption of the year of plan
- Level of funding requested
- Lead implementing agency
- Co-operating agency

2. **Targets**

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy control on ODS import	
Public awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

Appendix 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (SEMARNAT) monitors the consumption data of all Substances through regional teams. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion. The licensing System will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Mexico.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity will be done by:

- (a) Establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops.
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data.
- (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations.
- (d) Occasional visits to service workshops, recycling and reclamation centres.

5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;

- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Cost of reclaiming at every reclamation centre and parties who bear the cost;
- Price of reclaimed CFC refrigerants;
- Other financial information relevant to monitoring the recovery recycling and reclamation scheme.

6. Data and information collected will be analysed to check the adequate operations of the scheme.

7. In the manufacturing sector the implementation process and the achievement of the phase-out will be monitored through site visits at enterprise level.

8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;

- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner;
- (k) Providing assistance with policy, management and technical support when required.

Appendix 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,440 per ODP tonne of reductions in consumption² not achieved in the year.

² As measured according to Article 7 of the Protocol.

Annex XII

AGREEMENT BETWEEN VENEZUELA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Venezuela (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 7 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be

met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the reductions in consumption¹ not achieved in any one year.

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

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

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

¹ As measured according to Article 7 of the Protocol.

Appendix 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
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Appendix 2-A: THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	3,322	1,661	1,661	498	498	498	0
1. Max allowable total consumption of CFCs ² (ODP tonnes)	3,262.0	1,661.0	1,661.0	400.0	0.0	0.0	0.0
2. Total demand of CFCs (ODP tonnes) ¹	1,650.3	1,400.5	1,200.5	765.4	515.4	415.4	110.0 ³
3. Reduction from on-going projects (ODP tonnes)	36	100	200	0	0	0	0
4. New reduction under plan ⁴ (ODP tonnes)	0	0	50	200	435	250	100
5. Total annual reduction (ODP tonnes)	36	100	250	200	435	250	100
6. Stockpile ⁵ (ODP tonnes)	1,634.2	1,894.7	2,355.2	1,989.8	1,474.4	1,059.0	949.0
7. Lead I.A. agreed funding (US \$)	1,895,062	1,631,831	2,071,831	641,831			
8. Lead I.A. support costs (US \$)	142,129	122,387	155,387	48,137			
9. Total agreed funding (US \$)	2,037,191	1,754,218	2,227,218	689,968			
10. Total agency support costs (US \$)	142,129	122,387	155,387	48,137			

¹ Estimated.

² Article 7 data (production – export + import) constitute the target under this Agreement.

³ Save for essential uses.

⁴ Reduction of the demand for virgin CFCs in all consumption sectors from the estimated CFC total demand.

⁵ For information purposes.

Appendix 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the annual plan.

Appendix 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. **Data**

- Country
- Year of plan
- # of years completed
- # of years remaining under the plan
- Target ODS consumption of the preceding year
- Target ODS consumption of the year of plan
- Level of funding requested
- Lead implementing agency
- Co-operating agency

2. **Targets**

Target:				
Indicators		Preceding Year	Year of Plan	Reduction
Supply of ODS	Import			
	Production*			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

* For ODS-producing countries

3. **Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-out (in ODP tonnes)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy control on ODS import	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

Appendix 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (FONDOIN) monitors the consumption data of all Substances. Inspections at converted companies are foreseen to ensure the non uses of Substances after project completion. The Licensing System will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Venezuela.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity will be done by:

- (a) Establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
- (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
- (d) Occasional visits to service workshops, recycling and reclamation centres.

5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type (commercial, MAC, domestic etc.) of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Cost of reclaiming at every reclamation centre and parties who bear the cost;
- Price of reclaimed CFC refrigerants;
- Other financial information relevant to monitoring the recovery recycling and reclamation scheme.

6. Data and information collected will be analysed to check the adequate operations of the scheme.

7. In the manufacturing sector the implementation process and the achievement of the phase-out will be monitored through site visits at enterprise level.

8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the National Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for:
 - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
 - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the first meeting of the Executive Committee of the year;
 - (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
 - (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Target;
 - (j) Ensuring that disbursements are made to the Country in a timely and effective manner;
 - (k) Providing assistance with policy, management and technical support when required.

Appendix 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,920 per ODP tonne of reduction in consumption² not achieved in the year.

² As measured according to Article 7 of the Protocol.

Annex XIII

**AGREEMENT BETWEEN INDIA AND
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE NATIONAL PHASE-OUT OF CFC CONSUMPTION IN INDIA
FOCUSSING ON THE REFRIGERATION SERVICE SECTOR**

1. This Agreement represents the understanding of India (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) by 1 January 2010, in compliance with Protocol schedules. This Agreement includes and supersedes the Agreements between the Executive Committee and India entered into at the 37th Meeting for phase-out of CFCs in the foam sector and at the 38th Meeting for the phase-out of CFCs in the refrigeration (manufacturing) sector in India.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 3 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 37 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for CFCs as indicated in row 3 of Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of

Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

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

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

- (a) The Country would use the flexibility available as described under paragraph 7 to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in states so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. The Government of Germany has agreed to be the lead implementing agency (the “Lead IA”), the Government of Switzerland, UNDP, UNEP and UNIDO (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in row 38 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the Sectors concerned or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of

the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year.

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

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

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

Appendix 1-A: THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows;

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115
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Appendix 2-A: THE TARGETS (IN TONNES), AND FUNDING

Year of plan	2004	2005	2006	2007	2008	2009	2010	
1. Max allowed production as per Agreement in the production sector	13,176	11,294	7,342	3,389	2,259	1,130	0	
2. Montreal Protocol reduction schedule	6,681	3,340	3,340	1,005	1,005	1,005	0	
3. CFC consumption as per Article 7 of the Montreal Protocol	3,489	2,266	1,560	964	417	273	0	
4. Stockpiled CFC amount*	0	452	600	500	100	100	0	
5. Total national CFC demand	3,489	1,814	960	464	317	173	0**	
6. CFC reduction in on-going projects (without phase-out plans)	926	115	0	0	0	0	0	
CFC reduction from activities proposed in the National CFC Phase-out Plan	7. National CFC consumption phase-out plan - total	749	739	496	147	145	173	0
	8. Sectoral phase-out plan for elimination of CFCs in the foam sector (approved at 37 th Meeting)	508	401	128	0	0	0	0
	9. Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (approved at 37 th Meeting)	181	180	203	0	0	0	0
	10. Additional CFC consumption phase-out activities for National Phase-out Plan in service sector, customs and policy	60	158	165	147	145	173	0

* Annual stockpiles; the cumulative stockpile in 2010 will be 1,752 tonnes.

** Residual consumption of 647 ODP tonnes (ineligible for funding) will remain in the country and will be gradually phased out in subsequent years.

Year of plan		2004	2005	2006	2007	2008	2009	2010
<i>Sectoral phase-out plan for elimination of CFCs in the foam sector (approved at 37th Meeting)</i>	11. <i>Agreed funding 2004 onwards for UNDP</i>	\$1,500,000	\$450,000	\$224,577	\$0	\$0	\$0	\$0
	12. <i>Support cost 2004 onwards for UNDP</i>	\$131,000	\$40,500	\$20,212	\$0	\$0	\$0	\$0
<i>Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (approved at 38th Meeting)</i>	13. <i>Agreed funding 2004 onwards for UNDP</i>	\$250,000	\$150,000	\$59,450	\$0	\$0	\$0	\$0
	14. <i>Support cost 2004 onwards for UNDP</i>	\$21,621	\$12,937	\$5,142	\$0	\$0	\$0	\$0
	15. <i>Agreed funding 2004 onwards for UNIDO</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	16. <i>Support cost 2004 onwards UNIDO</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Additional CFC consumption phase-out activities for National Phase-Out Plan in service sector, customs and policy	17. <i>Germany (overall lead agency) agreed funding</i>	\$414,370	\$100,000	\$105,090	\$436,200	\$436,200	\$923,400	\$0
	18. <i>Germany (overall lead agency) support cost</i>	\$53,868	\$13,000	\$13,662	\$56,706	\$56,706	\$120,042	\$0
	19. <i>Switzerland agreed funding</i>	\$353,020	\$256,650	\$256,650	\$367,140	\$367,140	\$0	\$0
	20. <i>Switzerland support cost</i>	\$45,893	\$33,365	\$33,365	\$47,728	\$47,728	\$0	\$0
	21. <i>UNDP agreed funding</i>	\$277,200	\$277,050	\$448,350	\$167,860	\$152,340	\$199,460	\$0
	22. <i>UNDP support cost</i>	\$20,790	\$20,779	\$33,626	\$12,590	\$11,426	\$14,960	\$0
	23. <i>UNEP agreed funding</i>	\$256,300	\$256,300	\$85,000	\$85,000	\$85,000	\$32,400	\$0
	24. <i>UNEP support cost</i>	\$33,319	\$33,319	\$11,050	\$11,050	\$11,050	\$4,212	\$0
	25. Total agreed funding	\$1,300,890	\$890,000	\$895,090	\$1,056,200	\$1,040,680	\$1,155,260	\$0
26. Total support cost	\$153,870	\$100,463	\$91,703	\$128,074	\$126,910	\$139,214	\$0	
<i>Total for National Phase-Out Plan</i>	27. <i>Germany (overall lead agency) agreed funding</i>	\$414,370	\$100,000	\$105,090	\$436,200	\$436,200	\$923,400	\$0
	28. <i>Germany (overall lead agency) support cost</i>	\$53,868	\$13,000	\$13,662	\$56,706	\$56,706	\$120,042	\$0
	29. <i>Switzerland agreed funding</i>	\$353,020	\$256,650	\$256,650	\$367,140	\$367,140	\$0	\$0
	30. <i>Switzerland support cost</i>	\$45,893	\$33,365	\$33,365	\$47,728	\$47,728	\$0	\$0
	31. <i>UNDP agreed funding</i>	\$2,027,200	\$877,050	\$732,377	\$167,860	\$152,340	\$199,460	\$0
	32. <i>UNDP support cost</i>	\$173,411	\$74,216	\$58,980	\$12,590	\$11,426	\$14,960	\$0
	33. <i>UNEP agreed funding</i>	\$256,300	\$256,300	\$85,000	\$85,000	\$85,000	\$32,400	\$0
	34. <i>UNEP support cost</i>	\$33,319	\$33,319	\$11,050	\$11,050	\$11,050	\$4,212	\$0
35. <i>UNIDO agreed funding</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
36. <i>UNIDO support cost</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
37. Total agreed funding		\$3,050,890	\$1,490,000	\$1,179,117	\$1,056,200	\$1,040,680	\$1,155,260	\$0
38. Total agreed support cost		\$306,490	\$306,491	\$153,900	\$117,057	\$128,074	\$126,910	\$0

Appendix 3-A: FUNDING DISBURSEMENT SCHEDULE

1. Funding will be considered for approval at the last meeting of the calendar year prior to the starting calendar year of the Annual Implementation Programme. For the servicing sector, awareness and customs/policy activities the Annual Implementation Programme will consist of a list of activities commencing in April of the year of the Annual Implementation Programme and concluding in March of the following year. For all other activities, the annual implementation programme will be based on the calendar year. The performance will be measured against the annual consumption of the year prior to the year of consideration of the Annual Implementation Programme, as reported under Article 7 of the Montreal Protocol to the Ozone Secretariat.

Appendix 4-A: FORM OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country: India
 Year of Plan:
 Number of years completed:
 Number of years remaining under the plan:
 Reported ODS consumption of the year prior to this reporting:
 Target ODS consumption for the next year:
 Level of funding requested:
 Lead implementing agency: The Government of Germany, the
 Cooperating agencies: Government of Switzerland, UNDP, UNEP
 and UNIDO

2. Targets

Indicators		Previous Year (official data for supply)	Reduction previous to present year (calculated)	Present year (planned data)	Reductions present year to year of plan (calculated)	Year of Plan (planned data)
Supply of ODS	Production					
	Export					
	Total supply					
Demand of ODS	Consumption refrigeration manufacturing sector					
	Consumption foam sector					
	Consumption other ongoing projects					
	Stockpiling as per Agreement, Annex 2-A row 4					
	Sub-total: Demand except consumption in remaining uses under National CFC Consumption Phase-Out Plan					
Resulting consumption in uses under National CFC Consumption Phase-Out Plan						

3. Activities and Costs under National CFC Consumption Phase-Out Plan

General type of activity	Description of activity	Objective	Target group	Impact (general)	Impact (in terms of ODP tonnes phase-out, if applicable)	Planned expenditures (US \$)	Agency associated
Customs and policy training							
Awareness							
Establishing / upgrading training institutions (including equipment)							
Training							
Equipment supply							
Retrofit							
Total							
Cost by agency							
Agency	Type of cost						
Germany – GTZ Proklima	Expenditure						
	Support cost						
Switzerland	Expenditure						
	Support cost						
UNDP	Expenditure						
	Support cost						
UNEP	Expenditure						
	Support cost						
UNIDO	Expenditure						
	Support cost						

Appendix 5-A: MONITORING INSTITUTIONS AND ROLES

1. The Government of India agrees to ensure accurate monitoring of the phase-out. The consumption figures provided under this agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of India 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 and that the implementation of the Refrigeration (Manufacturing) Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programs.
2. The National CFC Consumption Phase-out Plan is implemented on a company and technician level, while being assessed on a national level. Consequently, the monitoring is focusing on these two levels: The monitoring of implementation, and the auditing of the data used to determine national consumption.
3. Since the implementation of this National CFC-Consumption Phase-out Plan consists of the implementation of several originally independent CFC consumption phase-out plans and projects, a consolidated reporting of all those plans and projects is required. Under this National CFC-Consumption Phase-out Plan, the Government of Germany as lead agency will facilitate a Consolidated Report of all presently active CFC consumption phase-out plans and projects in India.
4. In addition to monitoring of the implementation through the responsible agencies as well as the lead agency, the Project Management Unit (PMU) associated to the India Ozone Cell as well as the state governments will monitor implementation, being supervised by the Ozone Cell. Within the states, the local environmental administrations will perform that task. They are being activated and sufficiently informed for that task through visits of the Ozone Cell and/or PMU to higher state officials as well as the policy training which is being part of this National Phase-out Plan. The PMU will bundle the reports and perform further field checks where required.
5. The implementation part of a Consolidated Report to be submitted to the Executive Committee will be based on a preliminary report to be prepared and submitted by the lead agency on the basis of reporting from cooperating implementing agencies as well as from the Project Management Unit. It will be finalized on the basis of mutual agreement between India and agencies involved concerning the data to be reported. The release of funding under the existing CFC Phase-out Plans will be subject to consideration of progress reports on implementation of annual work programmes to be submitted as part of a consolidated report.
6. India as a CFC producing country has no CFC imports. Consequently, the consumption is being determined through production and exports. The production of CFC is already being audited as part of India's production sector phase-out, being agreed at the 29th meeting of the Executive Committee. Under direct contract from the Lead Agency, a national expert institution such as the national Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the

production data will allow them to determine the level of consumption in India (Article 7 data), which will constitute a part of the consolidated report.

7. Under direct contract from the Lead Agency, a national expert institution such as the National Environment Engineering Research Institute in Nagpur or an equivalent Indian independent institution will audit the export figures, which in combination with the production data allows determination of the consumption figures. The related data will form the consumption part of the Consolidated Report.

Appendix 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) Assisting the Country by drafting the Annual Implementation Programme in coordination with the Country's Project Management Unit;
- (d) Supporting the Country by facilitating the work of the Core Group, the Core Group being a body consisting of the Ozone Cell with its director as Chairperson, the representative of the lead agency as Secretary, the Project Management Unit and the cooperating agencies. The Core Group decides with mutual agreement on the Annual Implementation Programme and a more detailed annual work plan.
- (e) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (f) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (g) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

- (j) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (k) Coordinate the activities of the Coordinating IAs;
- (l) Ensuring that disbursements made to the Country are based on the use of the Indicators;
- (m) Providing assistance with policy, management and technical support when required.

Appendix 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCIES

1. The cooperating bilateral and implementing agencies have the following responsibilities in terms of management and overall coordination of work:

1) The Government of Switzerland is within the *service sector* phase-out activities responsible for all *training activities* and the identification of equipment needs. Within this responsibility, Switzerland is specifically responsible for the following activities:

- (a) Switzerland is responsible for the development of training materials for commercial and household refrigeration technician training;
- (b) Under the responsibility of the Government of Switzerland (TORs, supervision), new training cells will be identified and established;
- (c) In addition to the above, the Government of Switzerland is throughout the implementation of the plan responsible for the training in all states. The responsibilities include conducting training, identifying and reporting of equipment needs in beneficiary enterprises and supporting equipment delivery to them, performing the necessary capacity building as well as other outreach functions.

2) UNDP

- (a) UNDP is within the *service sector* phase-out activities responsible for *investment activities* on the basis of pre-defined technical requirements and beneficiaries; the pre-definition will be carried out by Germany - GTZ Proklima if not otherwise specified in the respective Annual Implementation Programme;
- (b) UNDP is responsible for all *refrigeration manufacturing phase-out* activities. Within this joint responsibility, UNDP is specifically and solely responsible for the refrigeration manufacturing phase-out activities in all other sub-sectors of this activity except the sub-sector of transport refrigeration;
- (c) UNDP is solely responsible for all phase-out activities in the foam sector.

3) UNEP has the following responsibilities:

- (a) UNEP, within the service sector phase-out activities, will provide support through its Compliance Assistance Programme (CAP) within its existing mandate and resources available in the region and through its global information clearinghouse;
- (b) UNEP will be solely responsible for the implementation of the customs and policy training activities as defined in the project proposal, based on activities shown in the Annual Implementation Programme;
- (c) UNEP will be within the service sector phase-out activities responsible for the implementation of the necessary awareness activities as defined in the Annual Implementation Programme.

4) UNIDO has the following responsibilities:

- (a) UNIDO is jointly with UNDP responsible for all phase-out activities in the transport refrigeration sub-sector.

2. The agency (lead or cooperating) responsible in terms of management and coordination of work for specific tasks as specified above (“Responsible Agency”) will typically fund the associated activities. Should the budget of the Responsible Agency in a given year - as approved under this Agreement - be insufficient for the associated tasks, the Annual Implementation Programme will specify which activities will be funded by another agency. The development of TORs, management and coordination of the work as well as approving fulfilment of contracts continues to be the responsibility of the respective Responsible Agency.

Appendix 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$14,960 per ODP tonne of reductions in consumption not achieved in the year.

Annex XIV**AGREEMENT BETWEEN UNEP AS TREASURER OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND ESTABLISHED BY THE PARTIES TO THE MONTREAL PROTOCOL**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer ("Protocol") to the Vienna Convention for the Protection of the Ozone Layer ("Parties") have established the Multilateral Fund for the Implementation of the Montreal Protocol ("Fund") to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of Article 5 of the Protocol to comply with the control measures of the Protocol,

WHEREAS, at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations and the Executive Committee entrusted the Executive Director of the United Nations Environment Programme ("UNEP") with its administration,

WHEREAS, the Parties have designated the United Nations Development Programme ("UNDP"), the World Bank ("Bank"), the United Nations Environment Programme ("UNEP") and the United Nations Industrial Development Organization (UNIDO) as implementing agencies for the work programme of the Fund,

WHEREAS, by decision of the Executive Committee, UNEP in addition to being designated as an implementing agency has acted as "Treasurer" of the Fund since 1991 free of charge, with responsibility for disbursing funds for activities to each of the implementing agencies, including itself, under the guidance of the Executive Committee,

NOW THEREFORE, the Executive Committee and UNEP hereby agree as follows:

Article I

1.1 UNEP, in its capacity as Treasurer, will administer the Fund in accordance with the Financial Regulations and Rules of the United Nations.

1.2 UNEP, in its capacity as Treasurer will at the beginning of each calendar year inform all Parties not operating under paragraph 1 of Article 5 of the Protocol of their contributions due to the Fund and request remittance of Parties' contributions. In this regard, UNEP will apply the fixed-exchange-rate mechanism approved by Decision XIV/40 of the Fourteenth Meeting of the Parties to the Montreal Protocol or in future amendments to this Decision to those Parties which qualify to use the mechanism.

1.3 UNEP, in its capacity as Treasurer, will acknowledge receipt of contributions from Parties and shall, from time to time, issue reminders to Parties whose contributions are outstanding.

1.4 UNEP, in its capacity as Treasurer, will administer any voluntary contributions from other sources.

1.5 UNEP, in the capacity as Treasurer, will collect and maintain an accurate accounting of pledges and contributions from donors, including bilateral contributions.

1.6 UNEP, in its capacity as Treasurer, will maintain an accurate account of funds approved by the Executive Committee as bilateral cooperation assistance and offset these funds against the concerned Party's contribution to the Fund.

1.7 UNEP, in its capacity as Treasurer, will place contributions paid by Parties in a bank account it will establish for the purpose of receiving such contributions.

1.8 UNEP, in its capacity as Treasurer, will provide, when requested, information on the rate of return on the investment of the Multilateral Fund trust funds held by UNEP.

1.9 UNEP, in its capacity as Treasurer, will design and manage a transparent system for issuance and encashment of promissory notes in accordance with predetermined schedules or as funds are needed by implementing agencies.

1.10 UNEP, in its capacity as Treasurer, will not be responsible for unpaid contributions by Parties.

1.11 The accounts of the Fund will be maintained in United States dollars.

Article II

2.1 UNEP, in its capacity as Treasurer, will design and maintain a financial reporting system for transfers, disbursements, interest and expenditures (consistent with Executive Committee decisions) that will allow uniformity, transparency and consistency when tracking flow of funds and facilitate comparability and reconciliation.

2.2 UNEP, in its capacity as Treasurer, will remit to the implementing agencies funds approved for them by the Executive Committee, and maintain a payment system to these agencies.

2.3 Funds remitted to the implementing agencies will be disbursed by them in accordance with their respective financial regulations and rules.

2.4 UNEP, in its capacity as Treasurer, will remit to UNEP the funds approved for the budget of the Fund Secretariat.

2.5 UNEP, in its capacity as Treasurer, will not be obligated to remit funds over and above those available in the Fund account.

Article III

3.1 The Executive Committee agrees to remunerate UNEP in its capacity as Treasurer, US \$500,000 annually for services it will provide pursuant to this Agreement, taking into account the functions described in Appendix I to this Agreement. This sum will remain unchanged for a period of five years as of the date of entry into force of this Agreement.

Article IV

4.1 UNEP, in its capacity as Treasurer, will submit accounts of the Fund to the Executive Committee for each calendar year based upon the expenditures incurred by the Fund Secretariat, the statements of expenditure submitted by the implementing agencies, taking into account interest earned by them on Fund balances they have held, as well as interest earned by UNEP on balances it holds as Treasurer of the Fund. In addition, UNEP will prepare clear reports on the status of the Fund to be submitted through the Fund Secretariat to the meetings of the Executive Committee.

4.2 UNEP, in its capacity as Treasurer, will undertake preparation of studies requested by the Executive Committee and / or by Meetings of the Parties to the Montreal Protocol, as relevant. UNEP will draw to the attention of the Executive Committee any circumstances where the costs of such studies would exceed the resources available.

4.3 UNEP, in its capacity as Treasurer, will provide direct support to the Executive Committee and its subsidiary bodies as necessary, including participation in Executive Committee meetings.

4.4 The accounts of the Fund will be subject solely to the Internal and External Audit of the United Nations. Should there be any comments made by the Auditors relating to the accounts, UNEP, in its capacity as Treasurer, will advise the Chief Officer of the Fund Secretariat and the Chairman of the Executive Committee immediately.

Article V

5.1 Any dispute, controversy or claims arising out of, or in connection with, this Agreement, will, unless they are settled by direct negotiation, be settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNICTRAL) as at present in force. The Executive Committee and UNEP agree to be bound by any arbitration award rendered in accordance with this section as the final adjudication of any dispute.

Article VI

6.1 This Agreement shall enter into force upon signature by both parties and shall supersede previous Agreements.

6.2 This Agreement shall remain in force until such time as both parties agree to terminate it. Should one party wish to terminate the Agreement, such termination notice shall be given 90 days prior to its intended termination.

6.3 Any amendment to this Agreement shall require the concurrence in writing of both parties.

6.4 In case of conflict between the terms and conditions of this Agreement and the Financial Regulations of the United Nations, the latter will prevail.

for UNEP

for the Executive Committee

Date

Date

Appendix I

Functions of Treasurer of the Multilateral Fund

1. Multilateral Fund trust fund:
 - 1.1. establishment and management of a trust fund for the management of the Multilateral Fund resources and financial reports;
 - 1.2. calculation of the triennial and yearly pledges by each Party (some 42 Parties) in accordance with the terms of reference approved by the Parties to the Montreal Protocol in US dollars and national currencies as applicable;
 - 1.3. keeping updated tools for the calculation of the distribution of pledges to the Parties which do not operate under Article 5 of the Montreal Protocol, in accordance with the United Nations scale of assessment;
 - 1.4. calling for and sending reminders to the Parties for contribution payments, receiving the contributions, acknowledging the receipts and managing the bank account and the appropriate accounting for the transactions; and
 - 1.5. making remittances to the implementing agencies¹ in accordance with the approvals of the Executive Committee of the Multilateral Fund.
2. Multilateral Fund bank account(s):
 - 2.1. establishment of a bank account for receiving contributions by Parties and other voluntary contributions and effecting transfers and payments in accordance with the approvals of the Executive Committee;
 - 2.2. management of the resources in the bank account with a view to maximizing the returns on any surplus funds not immediately needed; and
 - 2.3. management of any other subsidiary (bank) accounts that are opened for the smooth operation of the Fund, for example, for the management of promissory notes and their subsequent encashments.
3. Bilateral cooperation assistance
 - 3.1. maintaining an accurate report on the bilateral cooperation assistance (up to 20 per cent of a Party's assessed contribution per annum) approved for Parties by the Executive Committee for its direct implementation;
 - 3.2. adjustment of pledges of Parties to account for bilateral cooperation assistance approved by the Executive Committee; and
 - 3.3. introduction of the bilateral cooperation assistance's adjustments as reported in the annual progress reports on their implementation.

¹ Currently the agencies are: the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), and the World Bank

4. Fixed-exchange-rate mechanism:

- 4.1. monitoring and recording of the countries' inflationary parameters needed for the application of the fixed-exchange-rate mechanism in determining the Parties which qualify to using the mechanism and, secondly, fixing the national currency rates;
- 4.2. monitoring and recording of the various currencies exchange rates needed in the calculation of the fixed exchange rates for use in calculating the national currency pledges by the Parties which qualify to use the mechanism;
- 4.3. requesting the Parties qualifying to use the fixed-exchange-rate mechanism for confirmation of their decision to either make their payments to the Fund in national currencies or in United States dollars;
- 4.4. monitoring and recording of the performance of the fixed-exchange-rate mechanism by each Party, using the mechanism with a view to updating the shortfall or gain realized by the mechanism in totality;
- 4.5. monitoring and recording of the value of the promissory notes established within the fixed-exchange-rate mechanism with a view to having the current value at any time of the reporting on the status of the Fund;
- 4.6. monitoring and recording of the net gain or loss due to the implementation of the fixed-exchange-rate mechanism in order to properly factor it into the calculation of the net funds available for programming in the report on the status of the Fund; and
- 4.7. preparing any reports on the implementation of the fixed-exchange-rate mechanism as the Executive Committee or the Meeting of the Parties to the Montreal Protocol may require from time to time.

5. Multilateral Fund reports on the status of the Fund:

- 5.1. monitoring and recording of the yearly payments in the various forms (cash, promissory notes, bilateral cooperation assistance, and promissory notes encashments) by Parties to the Fund from inception to date for inclusion in the reports on the status of the Fund;
- 5.2. monitoring and recording of the other income elements such as interest and miscellaneous income (at the levels of the Treasurer and the implementing agencies) from inception to date for inclusion in the reports on the status of the Fund;
- 5.3. monitoring and recording of cash transfers and promissory notes transfers to implementing agencies or reservation of promissory notes for implementing agencies and any subsequent promissory notes encashments following approvals by the Executive Committee from inception to date for inclusion in the reports on the status of the Fund;
- 5.4. monitoring and recording of commitments and expenditures of the Multilateral Fund Secretariat following approvals of the Executive Committee from inception to date for inclusion in the reports on the status of the Fund; and
- 5.5. preparing the aggregate report on the status of the Fund for the Executive Committee's meetings giving the pertinent information on all elements of income and expenditures/disbursements/commitments and the balance available for new approvals.

6. Multilateral Fund financial reports:

- 6.1. preparation of the cumulative financial reports, including the statement of income and expenditure, and the report on changes in reserve and fund balance and cumulative fund balance;
- 6.2. preparation of the annual financial reports, including the statements of income and expenditure, and the report on changes in reserve and fund balance and cumulative fund balance;
- 6.3. preparation of the implementing agencies' summarized/aggregated expenditures reports annually and cumulatively; and
- 6.4. preparation of the Multilateral Fund Secretariat's reports on the annual expenditures vis-à-vis the approvals by the Executive Committee.

7. Reconciliation of the Treasurer's accounts with bilateral and implementing agencies and the Multilateral Fund Secretariat:

- 7.1. reconciliation of approvals by the Executive Committee, taking into account funds returned from completed projects, cancelled projects and adjustments to approvals, including projects transferred from one implementing agency to another;
- 7.2. reconciliation of cash resources transferred by the Treasurer and received by the implementing agencies;
- 7.3. reconciliation of promissory notes transferred to the World Bank considering the actual amounts realized in encashments;
- 7.4. reconciliation of reported interest income earned by implementing agencies and approvals granted by the Executive Committee to the agencies; and
- 7.5. reconciliation of adjustments to the bilateral cooperation assistance to Parties as per annual implementation progress reports made to the Executive Committee through the Multilateral Fund Secretariat and approvals granted by the Executive Committee.
