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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-third Meeting
Geneva, 5-9 July 2004

Corrigendum

REPORT OF THE FORTY-THIRD MEETING OF THE EXECUTIVE COMMITTEE

This corrigendum is issued to **replace** paragraph 152 **with** the following:

152. Following the discussion, the Executive Committee decided to request the Secretariat, in cooperation with interested Parties, to prepare a paper, for consideration at the 45th Meeting, on a procedure for using support costs, consistent with Decision 26/41, in a more flexible manner to address the issues raised in paragraph 146 of document UNEP/OzL.Pro/ExCom/42/54 while allowing bilateral agencies to decide which modalities would apply to them.

(Decision 43/40)



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REPORT OF THE FORTY-THIRD MEETING OF THE EXECUTIVE COMMITTEE

Introduction

1. The 43rd Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the International Conference Centre Geneva (CICG), from 5 to 9 July 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, the People's Republic of China, Cuba, the Islamic Republic of Iran, Mauritius and Niger.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. The Executive Secretary of the Ozone Secretariat was also present.

5. The Meeting was attended by the representatives of the Alliance for Responsible Atmospheric Policy and the Environmental Investigation Agency as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

6. The Meeting was opened at 10 a.m. on Monday, 5 July 2004, by the Chair, Ms. Marcia Levaggi (Argentina), who welcomed participants to Geneva, emphasizing that the agenda was a fairly heavy one and contained a few extremely important items.

7. The phase-out of more than 92,000 ODP tonnes in consumption and 224,000 ODP tonnes in production had been approved, but the phase-out had not yet taken place. Timely conclusion of approved projects was an essential prerequisite for the success of the Multilateral Fund.

8. A report prepared by the Senior Monitoring and Evaluation Officer on methyl bromide phase-out projects would be before the Executive Committee for its consideration and she expressed the hope that the Committee would find the information contained therein to be a useful tool for the implementation of decision Ex.I/2 of the First Extraordinary Meeting of the Parties.

9. Turning to investment projects, she noted that fewer projects than expected had been submitted from the 2004 business plan, but she hoped that the implementing agencies concerned would be able to give assurances that all of the projects scheduled for 2004 would soon be ready for submission so that the countries would receive the assistance they needed to achieve the compliance goals for 2005 and 2007.

10. She also pointed out that the agenda contained a considerable number of administrative topics, including reconciliation of the 2002 accounts and treatment and encashment of promissory notes, and therefore urged all participants to be concise when speaking on the various items so that the agenda could be completed in the time available.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

11. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/43/1, as orally amended by the Chair:

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. Status of resources and planning:
 - (a) Balances report and availability of resources;
 - (b) 2004 business plans;
 - (c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol.
6. Programme implementation:
 - (a) Report on the intermediate evaluation of halon banking projects for countries with medium and low volume of installed halon capacities;
 - (b) Desk study on methyl bromide projects;
 - (c) Follow-up to decision 42/12 (c) on the intermediate evaluation of CFC production sector phase-out agreements;
 - (d) Progress reports as at 31 December 2003:
 - (i) Consolidated progress report;
 - (ii) Bilateral cooperation;
 - (iii) UNDP;
 - (iv) UNEP;
 - (v) UNIDO;
 - (vi) World Bank;
 - (e) Evaluation of the implementation of the 2003 business plans;
 - (f) Project implementation delays;
 - (g) Report on implementation of approved projects with specific reporting requirements;
 - (h) Report on implementation of decision 42/49 in the context of decision Ex.I/2.
7. Project proposals:
 - (a) Overview of issues identified during project review;

- (b) Bilateral cooperation;
 - (c) Amendments to work programmes for 2004:
 - (i) UNEP;
 - (ii) UNDP;
 - (iii) UNIDO;
 - (iv) World Bank;
 - (d) Investment projects.
8. Country programmes.
 9. Potential implications of subsequently increasing the amounts approved for institutional strengthening projects (decision 42/22 (b)).
 10. Criteria for the assessment of the progress reports and verification audits of multi-year agreements (decision 41/15).
 11. Responsibility of the Multilateral Fund and potential eligibility requirements for studies on the management of HCFCs (decision 42/7 (b)).
 12. Accounts of the Multilateral Fund:
 - (a) Reconciliation of the 2002 accounts (follow-up to decision 42/41);
 - (b) 2003 accounts.
 13. Treatment/encashment of promissory notes (follow-up to decisions 41/4 and 42/44).
 14. Unified budgets for the UNEP Compliance Assistance Programme (CAP) (follow-up to decision 41/39).
 15. Report on programme support costs of bilateral cooperation projects (decision 42/45 (c)).
 16. Rights and obligations of bilateral agencies under the Montreal Protocol and its Multilateral Fund (decision 42/45 (e)).
 17. Export and import licensing systems: an update (decision 41/79).
 18. Monitoring of trade in ozone-depleting substances and preventing illegal trade in ozone-depleting substances (decision XIV/7 of the Fourteenth Meeting of the Parties).

19. Terms of reference of the Executive Committee (follow-up to decision 42/48).
20. Report of the Executive Committee's Subgroup on the Production Sector.
21. Other matters.
22. Adoption of the report.
23. Closure of the meeting.

(b) Organization of work

12. The Executive Committee agreed to consider agenda item 11, "Responsibility of the Multilateral Fund and potential eligibility requirements for studies on the management of HCFCs (decision 42/7 (b))" in conjunction with agenda item 7, "Project proposals".

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

13. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/43/2, which described the activities of the Secretariat since the 42nd Meeting. Highlighting certain items in the report, she indicated that the Secretariat had prepared a total of 23 documents for the current Meeting and that she and/or other members of the Secretariat staff had attended several meetings, including that of the GEF Council.

14. She reported that Mr. Stephan Sicars had been offered the post of Senior Project Management Officer vacated by Mr. Richard Abrokwa-Ampadu, who had retired. She also said that a letter of invitation had been received from the Government of the Czech Republic concerning the possibility of holding the 44th Executive Committee Meeting in Prague and that plans for that Meeting would be discussed under agenda item 21 "Other matters".

15. During the ensuing discussion, it was suggested that the report on the decision of the GEF Council concerning funding for methyl bromide projects in South Africa, referred to in paragraph 25 of document UNEP/OzL.Pro/ExCom/43/2, should be amplified. It had been a difficult decision, reached as a compromise and without prejudice to a later decision on funding of the project itself. Additionally, the GEF Council had asked the GEF Chief Executive Officer to inform the Parties to the Montreal Protocol of its serious concern that they had taken a decision that had financial implications for the GEF without consulting it.

16. The Chief Officer responded that that issue may be raised at the Meeting of the Open-Ended Working Group to be held the following week.

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

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

18. The Treasurer introduced the report on the status of the Fund as at 30 June 2004 (UNEP/OzL.Pro/ExCom/43/3/Rev.1), making a correction to the first paragraph where the date should read 30 June 2004.

19. By 30 June 2004, 17 Parties had paid their contributions in cash (at US \$17.5 million) and two in the form of promissory notes (at US \$17.5 million), with US \$10 million agreed for bilateral assistance. Those contributions represented 28 per cent of the total pledge of US \$158 million for 2004. Disbursement of allocations from the 42nd Meeting of the Executive Committee had resulted in payments to the implementing agencies of some US \$68.6 million.

20. Pursuant to Executive Committee decision 42/2, an “exchange gain/loss” column had been added to Table 3 of the Treasurer’s report. He highlighted the fact that, primarily as a result of the encashment of promissory notes, the total exchange-rate loss had been further reduced to US \$4,615,147.

21. The Fund’s total income stood at US \$1,776,127,084, while total allocations, including provisions, amounted to US \$1,735,244,636, leaving a balance of US \$40,882,447 available.

22. The Treasurer reminded the Parties of decisions taken regarding payment of contributions, which should be made as early as possible in the calendar year. Where payment was not possible by 1 June, Parties were asked to notify the Treasurer of when payment could be expected. The Treasurer, however, expressed his appreciation of the support provided by various government departments in notifying him in writing of payment amounts and dates of transfer.

23. Various representatives informed the Treasurer that outstanding payments could be expected from their governments during the coming week. Nevertheless, concern was expressed at the amounts outstanding and the effect that could have on project implementation. Members were therefore urged to make payments as soon as possible.

24. The Treasurer offered to provide explanations on a bilateral basis to those representatives who had encountered difficulties in reading the table or had queries about the presentation of the figures.

25. Following the discussion, the Executive Committee decided:

- (a) To take note with appreciation of the Treasurer’s report, including the tables showing the updated status of the Fund as at 30 June 2004 and reproduced in Annex I to the present report;
- (b) Also to take note of the new information provided by the Treasurer on the gains and losses resulting from the fixed-exchange-rate mechanism;

- (c) To urge those Parties that had not yet done so to make their contributions in a timely manner; and
- (d) To urge Parties to make contributions by 1 June each year, and, if that was not possible, to notify the Treasurer in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties.

(Decision 43/1)

AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

(a) Balances report and availability of resources

26. The Executive Committee considered the report on balances, the availability of resources, and the return of funds from cancelled projects (UNEP/OzL.Pro/ExCom/43/4), which was presented by the Secretariat. Taking account of the revised status of contributions presented in document UNEP/OzL.Pro/ExCom/43/3/Rev.1, the total sum available for approvals at the 43rd Meeting could be updated to US \$41,950,720. That was expected to be sufficient to cover all the requests for funding to be discussed at the Meeting, based on statements on new contributions made by members.

27. Representatives thanked the Secretariat for the report, which helped to improve the transparency of the process. A number of representatives, however, expressed concern at the high levels of funds held by the implementing agencies. It was suggested that the issue be raised at a meeting of the Chief Officer with the heads of the implementing agencies.

28. Representatives of the implementing agencies responded by observing that the total figures given in document UNEP/OzL.Pro/ExCom/43/4 for the balances held by their agencies included significant sums that would not be returned to the Multilateral Fund. As indicated in the footnote to Table 2, for example, US \$3,680,970 was held by the World Bank for multi-year projects and those funds would not be returned to the Fund.

29. Members of the Committee observed that the sum of about US \$1 million held for projects completed more than two years previously was in fact a reduction on the equivalent figure reported to previous meetings and that the implementing agencies had been improving their practice in that respect. Other representatives commented that previous meetings of the Committee had wrestled with the question of how to define when a project had been completed. They considered it was desirable to retain all the information currently included in the report of the Secretariat but that sums that would not be returned to the Fund, such as those held for multi-year projects, should be clearly indicated in the report.

30. After discussion on the adjustments and the total resources available at the present Meeting, the Executive Committee decided:

- (a) To note:

- (i) The report on project balances contained in document UNEP/OzL.Pro/ExCom/43/4;
 - (ii) The levels of funds being returned to the 43rd Meeting against project balances totalling US \$960,388 (UNDP--US \$617,556 net of reimbursement of funds previously returned in error for six projects by UNDP; UNEP--US \$214,930; UNIDO--US \$27,470; and the World Bank--US \$100,432 net of the funds returned by UNDP for the Thai institutional strengthening project to be transferred to the World Bank), and additionally the return of support costs totalling US \$107,885 (UNDP--US \$80,078 net of reimbursement of support costs previously returned in error for six projects by UNDP; UNEP--US \$19,289; UNIDO--US \$3,484; and the World Bank--US \$5,034 net of reimbursement of support costs associated with the transfer of the Thai institutional strengthening project);
 - (iii) That implementing agencies had balances totalling US \$1,093,535 excluding support costs from projects completed over two years previously as follows: UNDP (US \$808,118 plus support costs); and the World Bank (US \$285,417 plus support costs);
 - (iv) That US \$41,950,720 was available to the Executive Committee for approvals at the 43rd Meeting; and
- (b) To present future reports on balances and on the availability of resources, noting the balances of unliquidated obligations emanating from multi-year agreements which could not be returned.

(Decision 43/2)

(b) 2004 business plans

31. The Executive Committee considered the documents on the status of implementation of the 2004 business plan (UNEP/OzL.Pro/ExCom/43/5 and Add.1), in the light of projects submitted to the 43rd Meeting.

32. Concern was expressed regarding the high number of projects from the 2004 business plans not yet submitted to the Executive Committee. It was widely held that the implementation of projects for countries at risk of non-compliance was a matter of priority, and that it was necessary to obtain an overall picture of the reasons why such projects were not being submitted. There was a need to raise countries' awareness of the compliance implications of non-submission and it was also important for implementing agencies to provide more information on the reasons for delays in project submissions. With the 2005 and 2007 targets fast approaching, it was urgent for countries to implement the projects they needed to achieve compliance. In the interest of accelerating the approval and implementation process, the Executive Committee might want to consider a procedure for intersessional approval of projects for countries at risk of non-compliance.

33. Following the discussion, the Executive Committee decided:
- (a) To note the report on the status of the 2004 business plans as contained in documents UNEP/OzL.Pro/ExCom/43/5 and Add.1, and the fact that US \$94 million remained to be submitted for 22 new multi-year agreements and 176 other projects contained in the 2004 business plans;
 - (b) To urge bilateral and implementing agencies with projects in the 2004 business plans for countries at risk of non-compliance to submit those projects to the 44th Meeting as a matter of urgency, and to consider the projects identified in Table 3 of UNEP/OzL.Pro/ExCom/43/5 as priority projects; and
 - (c) To request the Secretariat:
 - (i) To send a letter, in conjunction with the implementing agencies responsible for institutional strengthening and the Ozone Secretariat, to countries at risk of non-compliance urging them to put forward projects through the implementing and bilateral agencies as soon as possible;
 - (ii) To prepare a document, to be submitted to the 44th Meeting of the Executive Committee, on a potential procedure for intersessional approval of projects for countries at risk of non-compliance, when such projects were in the business plan for a given year and there was no disagreement between the Secretariat and the implementing agency; and
 - (iii) To include in the document to be submitted to the 44th Meeting of the Executive Committee an examination of the reasons for the non-submission of projects for countries at risk of non-compliance.

(Decision 43/3)

(c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol

34. The Executive Committee considered the report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol (UNEP/OzL.Pro/ExCom/43/6/Rev.1 and Corr.1), which was presented by the Secretariat. The document contained three parts. Part I, which had been prepared in response to decision 32/76 (b), contained analyses of potential compliance for CFCs, halons, methyl bromide, carbon tetrachloride (CTC) and methyl chloroform (TCA); Part II contained an update of the status of implementation of ongoing projects for all Article 5 countries, by country, that had been found to be in non-compliance by the Meeting of the Parties; and Part III contained an analysis of the ODS consumption data by sector presented by Article 5 countries to the Executive Committee in relation to the implementation of their country programmes.

35. Representatives thanked the Secretariat for the documents, which they found extremely useful. One representative drew the Meeting's attention to Table 3 in document

UNEP/OzL.Pro/ExCom/43/6/Rev.1, which showed that only 18,219 ODP tonnes would remain to be phased out after taking into account approvals in principle for refrigerant management plans (RMPs) for low-volume-consuming countries (LVCs) and halon banking. That represented only about one year's worth of normal Fund-assisted phase-out activities, indicating what an extraordinary success the Fund, and the Montreal Protocol, had been. It highlighted, however, the need for the Executive Committee to switch its focus from approving new projects, which should rapidly decline in number, to monitoring the implementation of existing projects and ensuring that countries, and the implementing agencies, possess the capacity necessary to complete phase-out.

36. Responding to requests for clarification, the Secretariat explained that Table 3 indicated a smaller total of ODS to be phased out than Table 2 because Table 3 took into account reductions still to come under multi-year agreements. Table 3 included uses which would be ineligible for Fund assistance and so showed a higher total of ODS than the amount for which the Fund would be liable to provide assistance. One representative observed that some of the data in the documents contained errors and should be corrected; for instance, in one case ODS used for feedstock or quarantine and pre-shipment uses had been wrongly included under "consumption". Another representative expressed his concern that compliance status for the phase-out of CTC did not reflect the new process agent uses approved at the Fifteenth Meeting of the Parties.

37. A number of representatives expressed concern at the high number of countries revealed as being at risk of potential non-compliance that were not covered in the business plans of the implementing agencies. It was felt that it would be useful for the Executive Committee to be presented with a detailed analysis of why countries were in, or at risk of, non-compliance, and the impediments to their achieving compliance. The question of delays in implementation of existing projects was also raised, but the Secretariat indicated that that matter would be considered later in the meeting under agenda item 6(f) (Project implementation delays), to which document UNEP/OzL.Pro/ExCom/43/17 referred.

38. Various proposals for recommendations were put forward. All representatives who spoke agreed with the need to gather information on the reasons for non-compliance. One representative felt that failings in the current system, for example projects which were not submitted even though they were included in the business plan, needed to be identified and solutions proposed. Another representative, however, was unhappy with the idea that the Secretariat should propose specific actions to those countries in non-compliance or at risk of non-compliance, which was felt to be an infringement of national sovereignty and a major deviation from the current role of the Multilateral Fund of enabling compliance. It was accepted that the focus of the Executive Committee and the implementing agencies would need to be targeted much more strongly on the implementation of ongoing projects, particularly in light of the phase-out steps coming in 2005 and 2007, but that process had to be carried out in a deliberative way, after full consideration and discussion. It was also important not to lose the current planning cycle and business plan procedure. It was accepted, however, that in some cases action might need to be taken quickly to avoid countries falling into non-compliance, and ways of taking interim measures in between Executive Committee Meetings should be discussed. It was also agreed to include information on the problems of LVCs in future reports on the subject.

39. After discussion concerning status of compliance, status of implementation of ongoing projects and data on the implementation of country programmes, the need for timely implementation of business plans, and 2003 data for countries found to be in non-compliance by the Fifteenth Meeting of the Parties, the Executive Committee decided:

- (a) To note the report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol as contained in documents UNEP/OzL.Pro/ExCom/43/6/Rev.1 and Corr.1, which included data on the status of implementation of ongoing projects in Part II and the implementation of country programmes in Part III;
- (b) To urge bilateral and implementing agencies, as well as the relevant Article 5 countries, to adhere to the timely implementation of the 2004 business plans;
- (c) To request bilateral and implementing agencies, in consultation with the Secretariat, to include phase-out activities and UNEP Compliance Assistance Programme activities in their 2005–2007 business plans, as an immediate priority, for unfunded eligible consumption for countries in non-compliance or at risk of non-compliance with specific Montreal Protocol control measures for the years 2005 and 2007;
- (d) To request the Secretariat, in cooperation with the Ozone Secretariat and the bilateral and implementing agencies, to provide for inclusion in its ensuing reports on the status/prospects of Article 5 countries information and views from the Article 5 countries found to be in non-compliance and/or at risk of non-compliance on the nature of the impediments to their achieving compliance with the control measures of the Montreal Protocol, in particular with regard to low-volume-consuming countries, and to report thereon to the 44th Meeting of the Executive Committee; and
- (e) To note the expectation that further actions might be necessary in the future to enhance the capacity of the implementing agencies to better support the efforts of countries that were or might soon be in non-compliance.

(Decision 43/4)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) Report on the intermediate evaluation of halon banking projects for countries with medium and low volume of installed halon capacities

40. The Senior Monitoring and Evaluation Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/43/7 on the intermediate evaluation of halon banking projects, explaining that the evaluation had been delayed for a number of reasons. Additionally, various difficulties had arisen, for example, some countries in West Asia and English-speaking Africa now doubted that the plan of moving the recovery and recycling machinery from country to

country was going to be feasible and sustainable; much of the halon recovered had proved to be contaminated to varying degrees, making final disposal or destruction a more important issue than originally expected. He said that a consolidated report would be prepared in time for the 44th Meeting of the Executive Committee, incorporating comments from all stakeholders.

41. The Executive Committee took note of the status report provided in document UNEP/OzL.Pro/ExCom/43/7.

(b) Desk study on methyl bromide projects

42. The Executive Committee considered the report on the desk study on methyl bromide projects (UNEP/OzL.Pro/ExCom/43/8), which gave a summary of four sub-sector studies conducted by consultants analysing the documentation available on methyl bromide projects in horticulture, cut flowers, tobacco, and post-harvest.

43. The study revealed that although much had been achieved - by 2002, overall methyl bromide consumption in Article 5 countries had fallen to 19 per cent below baseline level - there was a long way to go to achieve full phase-out in 2015. A total of 12,830 tonnes of methyl bromide was still being consumed in 2002, some countries had recently reported a rise in their consumption, and some were in non-compliance with the freeze. It was, however, difficult to obtain a comprehensive picture of the progress being made and problems encountered just by looking at documentation. The project completion reports, final reports of demonstration projects, and progress reports that had been received were lacking in detail, particularly regarding non-technical aspects of the implementation and sustainability of projects.

44. The report identified issues for further evaluation, including the level of phase-out achieved and its sustainability. Analysis of the technical, economic/commercial, institutional and political aspects of sustainability was planned. While the technical viability of alternatives to methyl bromide had been well proven and documented, that was not the case for the other factors. If the latter factors were not fully analysed and taken into account, there would be a risk that methyl bromide use might continue or be resumed.

45. Field visits would focus on projects with methyl bromide phase-out; the supporting role of training, public awareness and policy advice activities would also be considered. Some 10 countries would be chosen in consultation with the Ozone Units of the countries concerned, the implementing agencies for the projects selected, and the regional methyl bromide officers of the UNEP Compliance Assistance Programme (CAP) teams of the respective regions.

46. During the ensuing discussion, members of the Executive Committee reiterated the importance of ensuring all-round sustainability.

47. The Executive Committee took note of the information provided in document UNEP/OzL.Pro/ExCom/43/8, including the proposed evaluation issues and approach for the second phase of the evaluation, and of the suggestion that the Senior Monitoring and Evaluation Officer should look in more detail at the factors influencing the selection of alternative technologies.

(c) Follow-up to decision 42/12 (c) on the intermediate evaluation of CFC production sector phase-out agreements

48. The Executive Committee considered the comments of the Secretariat on the report prepared by the Ozone Cell, Ministry of Environment and Forests, Government of India, and the World Bank (UNEP/OzL.Pro/ExCom/43/9), pursuant to Executive Committee decision 42/12 (c).

49. Members of the Committee were reminded that it was technically a very complex issue and that experts did not always agree on the measurement of CFC production. No irregularities had been found in the reporting or monitoring of CFC production in India by the World Bank, and the Government of India and CFC producers remained committed to phase-out. It had been clarified that, for some units in India, CFC production had always been calculated and reported on a net basis.

50. Several representatives were concerned that, in order to ensure compliance with, and effective implementation of, the Montreal Protocol, India should submit gross figures in the years 2005 and 2007 (when the Protocol specified the reduction rates of 50 per cent and 85 per cent of baseline production and consumption respectively) so that verification of compliance could be achieved. In all other years, however, India should be allowed to submit net figures.

51. On the basis of the Secretariat's presentation, the ensuing discussion, and India's reiterated commitment to the Montreal Protocol, the Executive Committee decided:

- (a) To take note of the report prepared by the Ozone Cell, Ministry of Environment and Forests, Government of India, and the World Bank;
- (b) To clarify that allowable CFC production in India should be verified as net production, apart from the years 2005 and 2007, when it should be gross production; and
- (c) That the foregoing decision, which applied solely to India's CFC production, would not necessitate any change to the CFC production sector agreement that had been negotiated between the Executive Committee and India.

(Decision 43/5)

(d) Progress reports as at 31 December 2003:

(i) Consolidated progress report

52. The Executive Committee considered the 2003 consolidated progress report of the Multilateral Fund (UNEP/OzL.Pro/ExCom/43/10), which was presented by the Secretariat. The document summarized the progress made and provided financial information on the implementation of projects and activities supported by the Fund up to 31 December 2003.

53. The Executive Committee decided:

- (a) To note the consolidated progress report of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/43/10;
- (b) To encourage those bilateral agencies that had not reported the financial data to the Secretariat or financial closure with regard to bilateral activities to do so as a matter of urgency; and
- (c) To note the slow rate of project completion during 2003 for all agencies and the lower level of phase-out than planned and to encourage implementing agencies and Article 5 countries to expedite project implementation.

(Decision 43/6)

(ii) Bilateral cooperation

54. The Executive Committee considered the progress report on bilateral cooperation activities for the year up to 31 December 2003 (UNEP/OzL.Pro/ExCom/43/11 and Add.1), which was presented by the Secretariat.

55. After hearing additional information on the reasons for the low reported percentage of total expected phase-out from bilateral projects in relation to the percentage of funds disbursed under those projects, including the constraints placed on RMPs by existing decisions, the Executive Committee decided:

- (a) To note with appreciation the progress reports submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan, Sweden, Switzerland and the United Kingdom of Great Britain and Northern Ireland and the information provided by Belgium, Israel and Poland contained in documents UNEP/OzL.Pro/ExCom/43/11 and Add.1;
- (b) To request:
 - (i) The Government of Finland to provide its progress report to the 44th Meeting of the Executive Committee;
 - (ii) UNEP to provide progress reports to the 44th Meeting pursuant to decision 39/18 in the context of projects with implementation delays and completed projects with balances;
 - (iii) The Governments of Canada, France, Germany and Japan to provide reports on their projects with implementation delays to the 44th Meeting of the Executive Committee;
 - (iv) UNDP, on behalf of the Government of Belgium, to provide to the 44th Meeting of the Executive Committee a report on the level of funds returned for the cancelled Quimica Andina foam project in Bolivia (BOL/FOA/28/INV/10) and in the context of the balances report; and

- (c) To monitor the following projects in the context of the reports on projects with implementation delays and to request an additional status report to be submitted to the 44th Meeting of the Executive Committee:
- (i) Recovery and recycling project in Chile (CHI/REF/35/TAS/147), implemented by Canada;
 - (ii) Project on assistance in the design of policies and regulations in Saint Kitts and Nevis (STK/REF/24/TAS/04), implemented by Canada; and
 - (iii) National recovery and recycling project in Egypt (EGY/REF/29/TAS/75), implemented by Germany.

(Decision 43/7)

(iii) UNDP

56. The representative of the Secretariat presented UNDP's progress report on activities up to 31 December 2003 (UNEP/OzL.Pro/ExCom/43/12).

57. The Executive Committee decided:

- (a) To note UNDP's progress report contained in document UNEP/OzL.Pro/ExCom/43/12;
- (b) To monitor the following projects by means of an additional status report to the 44th Meeting in the context of projects with implementation delays and to note their slow progress:
 - (i) Halon bank in the Dominican Republic (DOM/HAL/38/TAS/32);
 - (ii) Halon bank in Egypt (EGT/HAL/32/TAS/81);
 - (iii) Halon bank in Mexico (MEX/HAL/35/TAS/104);
 - (iv) Monitoring project for the refrigerant management plan in Mali (MLI/REF/32/TAS/10);
 - (v) Monitoring project for the refrigerant management plan in Nepal (NEP/REF/28/TAS/07);
 - (vi) Refrigerant management plan in Viet Nam (VIE/REF/35/TAS/38 and 39);
 - (vii) Phasing out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at Harmony Foam Nigeria Ltd in Nigeria (NIR/FOA/34/INV/89);

- (viii) Phasing out of CFC-11 in the manufacture of rigid polyurethane foam by conversion to a combination of water and HCFC-141b based systems at Global Plastic Industries Ltd in Nigeria (NIR/FOA/34/INV/91); and
- (ix) Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Al-Saad Refrigeration in the Syrian Arab Republic (SYR/REF/35/INV/81);
- (c) To note that UNDP would report to the 44th Meeting on up to 42 projects with implementation delays, including 18 projects that had been so classified in 2003;
- (d) Also to note that UNDP had 229 projects that it had classified as completed for over one year with remaining balances totalling US \$3,680,970 as of July 2004; and
- (e) To reaffirm decision 17/22 in the light of apparent project overruns included in UNDP's 2003 progress report and to agree that funds returned in error might be returned to the implementing agency in line with previous practices.

(Decision 43/8)

(iv) UNEP

58. The representative of the Secretariat presented UNEP's progress report on activities up to 31 December 2003 (UNEP/OzL.Pro/ExCom/43/13).

59. After some discussion on the return of remaining balances for UNEP CAP activities pursuant to decision 35/36 (d), the Executive Committee decided:

- (a) To note UNEP's progress report contained in document UNEP/OzL.Pro/ExCom/43/13;
- (b) To request the submission of additional status reports to the 44th Meeting in the context of projects with implementation delays, including actions by UNEP and the National Ozone Unit since the 43rd Meeting on the institutional strengthening projects in the following countries:
 - (i) Fiji (FIJ/SEV/37/INS/08);
 - (ii) Maldives (MDV/SEV/37/INS/04); and
 - (iii) Sao Tome and Principe (STP/SEV/38/INS/02);
- (c) To note that UNEP had 17 projects classified with implementation delays, including five projects that had been so classified in 2003, and to request that a report on those projects be submitted to the 44th Meeting;

- (d) To note that UNEP had 2 projects that it had classified as completed for over one year with remaining balances totalling US \$737,309 as of July 2004; and
- (e) To request UNEP to report to the 45th Meeting on the return of remaining balances for the three bilateral projects for the 2003 European and Central Asian network (EUR/SEV/39/TAS/02, 03 and 04).

(Decision 43/9)

(v) UNIDO

60. The representative of the Secretariat presented UNIDO's progress report on activities up to 31 December 2003 (UNEP/OzL.Pro/ExCom/43/14).

61. The Executive Committee decided to note:

- (a) UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/43/14;
- (b) That UNIDO would report to the 44th Meeting on up to 24 projects with implementation delays, including five projects that had been so classified in 2003; and
- (c) That UNIDO had 8 projects that it had classified as completed for over one year with remaining balances totalling US \$96,128 as of July 2004.

(Decision 43/10)

(vi) World Bank

62. The representative of the Secretariat presented the World Bank's progress report on activities up to 31 December 2003 (UNEP/OzL.Pro/ExCom/43/15).

63. The Executive Committee decided:

- (a) To note the World Bank's progress report contained in document UNEP/OzL.Pro/ExCom/43/15;
- (b) Also to note that the World Bank would report to the 44th Meeting on a total of 49 projects with implementation delays, including 39 projects that had been so classified in 2003;
- (c) To monitor the following projects by means of an additional status report to the 44th Meeting in the context of projects with implementation delays and to note their slow progress:
 - (i) Post-harvest disinfection for cotton and citrus demonstration project in Argentina (ARG/FUM/29/DEM/93);

- (ii) Soil treatment application for tomatoes and peppers demonstration project in Chile (CHI/FUM/25/DEM/35);
 - (iii) Halon bank project in Argentina (ARG/HAL/26/TAS/80);
 - (iv) Halon bank project in Jordan (JOR/HAL/29/TAS/53);
 - (v) Halon bank project in Oman (OMA/HAL/41/TAS/O8);
 - (vi) Halon bank project in Turkey (TUR/HAL/38/TAS/80);
 - (vii) Halon bank project in Thailand (THA/HAL/29/TAS/121);
 - (viii) Halon phase-out project in Thailand (THA/HAL/32/INV/134); and
- (d) To note that the World Bank had 21 projects that it had classified as completed for over one year with remaining balances totalling US \$5,273,240 as of July 2004.

(Decision 43/11)

(e) Evaluation of the implementation of the 2003 business plans

64. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/43/16 containing the report on evaluation of the implementation of the implementing agencies' 2003 business plans, pointing out that, although new performance indicators had been agreed for use in the future, the document before the Committee made use of the existing ones.

65. After some discussion of the implementing agencies' performance against their 2003 business plan performance indicators, the Executive Committee took note of the evaluation contained in document UNEP/OzL.Pro/ExCom/43/16 and encouraged the implementing agencies to strive for improved performance against the targets of their 2004 business plans.

(f) Project implementation delays

66. The Executive Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/43/17), which was introduced by the representative of the Secretariat, who explained that additional information had subsequently become available on the three projects for which the achievement of milestones was required by the time of the Meeting.

67. The representatives of Japan and UNEP provided additional information on progress with the information, education and communication project in Nigeria that had not been available before the Meeting. Despite difficulties, agreement had been reached with the Government of Nigeria, and the project was now under way; a full report would be presented to the 44th Meeting of the Executive Committee.

68. Having considered the liquid carbon dioxide (LCD) projects in Morocco, the information from UNDP on three foam projects in China and the United Republic of Tanzania, and the report

from Japan and UNEP on the information, education and communication project in Nigeria, the Executive Committee decided:

- (a) To note with appreciation the reports submitted to the Secretariat on projects with implementation delays provided by Canada, France, Germany and the four implementing agencies, as contained in document UNEP/OzL.Pro/ExCom/43/17;
- (b) To request UNEP, on behalf of the Government of Japan, to provide a report to the 44th Meeting of the Executive Committee on the project "Assistance for a national information, education and communication campaign for compliance with the Montreal Protocol" in Nigeria, which had been classified as a project with implementation delays;
- (c) To note that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and notify governments and implementing agencies as required and report thereon to the next Executive Committee Meeting;
- (d) To adopt the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestone and Deadline
IBRD	ARG/SOL/28/INV/91	Conversion from MCF used as solvent to aqua-based cleaning at Argelite La Rioja, SA; CIMCAM, SA; Grimoldi, SA; Heliolino SAIC; Integral Metalurgica, SA; Orbis Mertig SAIC; Trosh, SA Unisol, SA and Buffalo, S.A. in Argentina	Signature of sub-grant agreements by July 2004.
IBRD	CPR/FOA/20/INV/179	Conversion to CFC-free technology in the manufacture of flexible (slabstock) polyurethane foam at Chengdu Plastics No. 7 in China	Installation of equipment by September 2004. (decision 42/15)
UNEP	GLO/SEV/19/TAS/112	Training modules on management of ODS phase-out in small and medium enterprises	Project completion by 1 April 2005. (decision 42/15)

- (e) To note the completion of the following projects:
 - (i) Phase-out of CFC-11 in the manufacture of flexible slabstock foam by conversion to methylene chloride at Plyfoam Limited in the United Republic of Tanzania (URT/FOA/31/INV/13), implemented by UNDP;
 - (ii) Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Pan Africa Enterprises Ltd. in the United Republic of Tanzania (URT/FOA/26/INV/11), implemented by UNDP;
- (f) To note the cancellation, by mutual agreement, of the project for the phase-out of CFC-11 by conversion to n-pentane technology in the manufacture of rigid

polyurethane insulation foam at Suzhou Purification Equipment Factory in China (CPR/FOA/28/INV/291), under UNDP implementation where US \$262,738 of the US \$516,780 approved for the project had been disbursed; and 66 ODP tonnes had been determined as phased out pursuant to decision 39/13 (b); and also to note that UNDP and the Government of China would attempt to recover the equipment for use elsewhere; and

- (g) Further to note the automatic cancellation of the following projects:
- (i) Phase-out of CFCs in the manufacture of flexible slabstock foam at Richbond S.A. in Morocco (MOR/FOA/22/INV/08) where: US \$425,316 of the US \$470,625 approved for the project had been disbursed; 150 ODP tonnes had been determined as phased out pursuant to decision 39/13 (b); and also to note that the reason for cancellation was non-achievement of the agreed milestone;
 - (ii) Phase-out of CFCs in the manufacture of flexible slabstock foam at Salidor S.A. in Morocco (MOR/FOA/23/INV/13) where: US \$296,775 of the US \$299,000 approved for the project had been disbursed; 48 ODP tonnes had been determined as phased out pursuant to decision 39/13 (b); and also to note that the reason for cancellation was non-achievement of the agreed milestone;
 - (iii) Phase-out of CFCs in the manufacture of flexible slabstock foam at Mousse d'Or S.A. in Morocco (MOR/FOA/23/INV/19) where: all the funds approved for the project had been disbursed (US \$280,350); 45 ODP tonnes had been determined as phased out pursuant to decision 39/13 (b); and also to note that the reason for cancellation was non-achievement of the agreed milestone; and
 - (iv) Conversion to LCD technology in the manufacture of flexible slabstock foam to replace CFC-11 at Bonbino Confort in Morocco (MOR/FOA/25/INV/22) where: US \$485,483 of the US \$490,200 approved for the project had been disbursed; 90 ODP tonnes had been determined as phased out pursuant to decision 39/13 (b); and also to note that the reason for cancellation was non-achievement of the agreed milestone.

(Decision 43/12)

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

69. The representative of the Secretariat drew the attention of the Executive Committee to document UNEP/OzL.Pro/ExCom/43/18, noting that UNDP had submitted a progress report on the implementation of a methyl bromide phase-out project in Chile. Based on preliminary figures provided by the Government, the total level of imports of methyl bromide in 2003 was

above the methyl bromide baseline for compliance and also above the 2003 level stipulated in the agreement between the Government of Chile and the Executive Committee.

70. Following a discussion, the Executive Committee decided:

- (a) To take note of the report submitted by UNDP on the implementation of the demonstration and phase-out project for methyl bromide in soil fumigation for tree production and replant in Chile (UNEP/OzL.Pro/ExCom/43/18);
- (b) To note the commitment of the Government of Chile to return to compliance and its undertaking to present a plan of action for that purpose to the 44th Meeting of the Executive Committee; and
- (c) To continue with the implementation of the project in accordance with the agreement between the Government of Chile and the Executive Committee approved at the 32nd Meeting of the Executive Committee (Annex IX to document UNEP/OzL.Pro/ExCom/32/44).

(Decision 43/13)

(h) Report on implementation of decision 42/49 in the context of decision Ex.I/2

71. The representative of the Secretariat drew the Executive Committee's attention to the report on implementation of decision 42/49 contained in document UNEP/OzL.Pro/ExCom/43/19. He pointed out that, at the 42nd Meeting of the Executive Committee, the representative of Argentina had introduced a draft decision on projects for early phase-out of methyl bromide in Article 5 countries, in accordance with decision Ex.I/2 of the First Extraordinary Meeting of the Parties. Subsequent to a discussion, the Executive Committee had requested the Secretariat to prepare a document covering the updated status of implementation of approved projects for accelerated phase-out of methyl bromide, based on information already available and had also invited members to submit comments on the implementation of decision Ex.I/2 of the Parties (decision 42/49). The Secretariat had prepared the document pursuant to the request by the Executive Committee.

72. All representatives who spoke welcomed the report and the comments submitted by Argentina. A number of representatives stated that they believed the question of whether critical-use exemptions had been approved in non-Article 5 Parties, which was one of the suggested criteria, was only relevant if the circumstances, such as pest and soil types, as well as the crops, were similar in both the Article 5 and non-Article 5 Parties.

73. One representative, however, expressed his concern at the proposed criteria, which he feared would act as a general invitation to countries to put forward extensions of their phase-out agreements. He pointed out that not all countries with accelerated phase-out programmes were in fact facing difficulties. No unforeseen difficulties should arise in as much as demonstration projects should have been carried out before the accelerated phase-out programmes had been agreed. On the question of the impact of adverse market conditions, he felt that the advice of the

Technology and Economic Assessment Panel (TEAP) and the Methyl Bromide Technical Options Committee (MBTOC) should be sought.

74. Other representatives disagreed, pointing out that the decision of the First Extraordinary Meeting of the Parties already requested the Executive Committee to consider criteria for the prolongation of accelerated phase-out agreements. Failure to agree criteria now would only delay the provision of assistance later, when it was really needed. Furthermore, the decision to adopt accelerated phase-out of methyl bromide was a voluntary one, and any country opting for that course was clearly demonstrating its commitment to early phase-out. Adopting the criteria would simply make it easier for the Committee to consider extending the agreements if and when countries ran into real difficulties.

75. Following the discussion, the Executive Committee decided to adopt the following criteria for the submission of requests for the prolongation of accelerated phase-out agreements pursuant to decision Ex. I/2:

- (a) The Executive Committee shall evaluate each individual project at the request of the Party implementing the project;
- (b) The project shall be under implementation and demonstrate substantive advancements in its implementation;
- (c) The Party implementing the project shall submit its request for reconsideration, and all other relevant information to justify its case, to the Multilateral Fund Secretariat, which will communicate it to the Executive Committee Members eight weeks before the Meeting;
- (d) The information submitted by the Party shall include, among other items it may consider relevant:
 - (i) Identification of unforeseen difficulties, as of the date of the signature of the commitment, that affect the development of the project (Note: these difficulties may include, *inter alia*: changes in the market, the proposed alternative is no longer available in the market, the proposed alternative has been demonstrated not to be applicable at the local level in specific conditions or for a specific crop, it has not been possible to register an alternative, cancellation of the registration of an alternative, etc.);
 - (ii) Where the unforeseen difficulty is the lack of technical or economic feasibility of the alternatives, evidence of trials of alternatives to methyl bromide with negative results undertaken in the corresponding region of the country; and
 - (iii) Submission of an action plan or alternative schedule for the phase-out of methyl bromide (Note: The proposed action plan/alternative schedule should, at the least, agree with the control measure of the Montreal Protocol applicable to methyl bromide);

- (e) The renegotiation of the disbursements shall make it a priority not to affect the continuity of the project, given the importance of not interrupting the technological transfer process because of the characteristics of agricultural production; and
- (f) In its consideration of the projects with difficulties, the Executive Committee shall take into account whether exemptions for critical uses have been granted in non-Article 5 countries, facing similar circumstances. In so doing, the Executive Committee may request the advice of the Technology and Economic Assessment Panel (TEAP) and the Methyl Bromide Technical Options Committee (MBTOC).

(Decision 43/14)

AGENDA ITEM 7: PROJECT PROPOSALS

(a) Overview of issues identified during project review

76. The Chair introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/43/20) and said that, in the absence of any policy issues arising from project review, the Executive Committee could proceed directly to consider the list of projects and activities for blanket approval contained in Annex I to the document, including: projects submitted as bilateral cooperation; projects submitted under the work programme amendments of implementing agencies; and investment projects.

77. Following a discussion, the Executive Committee decided to approve the projects submitted for blanket approval listed in Annex I to document UNEP/OzL.Pro/ExCom/43/20, at the level of funding indicated in Annex II to the present report, with the conditions or provisos included in the corresponding project evaluation sheets, also indicated in Annex II. For projects relating to the renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex III to the present report. Specific comments were made on the projects indicated below.

(Decision 43/15)

China: Project preparation for the pharmaceutical aerosol sector (World Bank)
(UNEP/OzL.Pro/ExCom/43/20)

78. Following a discussion, in which it was clarified that the project related to the pharmaceutical aerosols sector rather than the metered-dose inhaler (MDI) sector, the Executive Committee decided to approve the project preparation for the pharmaceutical aerosol sector in China at the funding level of US \$135,500, plus agency support costs of US \$10,163 for the World Bank.

(Decision 43/16)

China: Preparation of a methyl bromide consumption phase-out plan (UNIDO)
(UNEP/OzL.Pro/ExCom/43/20)

79. Following a discussion in which it was recalled that, in decision 41/46, the Executive Committee had requested UNIDO to assist China to work towards the completion of a project proposal for the phase-out of all controlled uses of methyl bromide for submission to the Executive Committee, the Executive Committee decided to approve the preparation of a methyl bromide consumption phase-out plan in China at the funding level of US \$20,000, plus agency support costs of US \$1,500 for UNIDO.

(Decision 43/17)

Sri Lanka: National compliance action plan (Japan, UNEP)
(UNEP/OzL.Pro/ExCom/43/43)

80. The Executive Committee decided to approve the national compliance action plan for Sri Lanka on the understanding that:

- (a) The total level of funding of the national compliance action plan for Sri Lanka was US \$1,015,000 plus support costs of US \$131,950. This was the total funding that would be available to the Government of Sri Lanka from the Multilateral Fund for the complete elimination of ODS consumption in the country. The funding would be distributed as follows:

Project Title	Project Funding (US\$)	Support Cost (US\$)	Agency
Incentive programme for commercial and industrial refrigeration end-users	144,000	18,720	Japan
Recovery and recycling programme	290,400	37,752	Japan
MAC recovery, recycling and retrofit programme	123,000	15,990	Japan
Enhancement of national capacity to monitor trade and prevent illegal trade of ODS	135,000	17,550	UNEP
Extension training of the established refrigeration technicians	174,600	22,698	UNEP
Halon bank management programme	40,000	5,200	UNEP
Monitoring the activities included in the phase-out plan	108,000	14,040	Japan

- (b) The Government of Sri Lanka committed itself to the phased reduction and complete phase-out of consumption of ODS in Sri Lanka, according to the following phase-out schedule which was, at a minimum, consistent with the Montreal Protocol control measures:

ODP tonnes	2004	2005	2006	2007	2008	2009	Total
Montreal Protocol phase-out schedule	445.7	222.9	222.9	66.9	66.9	66.9	
Maximum allowable consumption	178.0	155.0	106.1	65.2	21.8		
Total reduction from ongoing projects	20.4	2.5	2.5	0.0	0.0	0.0	25.4
Total reduction under national compliance action plan	2.6	46.4	38.4	43.4	18.7	3.2	152.7
Total annual reduction	23.0	48.9	40.9	43.4	18.7	3.2	178.1

- (c) The Government of Sri Lanka agreed that no additional resources would be requested from the Multilateral Fund for activities related to the phase-out of ODS. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan (as the lead implementing agency) in the national compliance action plan;
- (d) The Government of Sri Lanka agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required under Article 7 of the Montreal Protocol, by 30 September each year; and
- (e) The Government of Japan would be responsible for reporting annually on the implementation of activities funded under the national compliance action plan and for providing verification to the Executive Committee annually that the ODS consumption reductions in the national compliance action plan had been completed according to the above schedule.

(Decision 43/18)

81. The Executive Committee discussed the projects for individual consideration under agenda item 7(d) (Investment projects) (see paragraphs 98 to 119 of the present report).

(b) Bilateral cooperation

82. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/43/21, which contained 14 requests for bilateral cooperation submitted by the Governments of Canada, France, Germany, Japan, and Sweden. Three projects were included in the blanket approval list considered under agenda item 7(a) above (Overview of issues identified during project review) and 10 projects and activities would be considered under agenda item 7(d) (Investment projects). Specific comments were made on the remaining project, submitted by the Government of Germany, as indicated below.

China: Development of a suitable strategy for the long-term management of HCFCs, in particular HCFC-22 (Germany) (UNEP/OzL.Pro/ExCom/43/21)

83. In connection with the above project, the Executive Committee also had before it a policy paper on the responsibility of the Multilateral Fund and potential eligibility requirements for studies on the management of HCFCs (UNEP/OzL.Pro/ExCom/43/51), prepared by the Government of Germany pursuant to Executive Committee decision 42/7(b). The representative of the United Kingdom of Great Britain and Northern Ireland, speaking on behalf of the Government of Germany, presented the policy paper on HCFC management studies. He said that the reported and predicted growth of HCFC consumption in China and its potential effect on other Article 5 countries pointed to the need to undertake a study on the development of a suitable strategy for long-term management of HCFCs in that country.

84. During the discussion, the growth of HCFC consumption in China was generally seen as a reason to approve the project on an exceptional basis. It was suggested that the study includes an examination of any proposed policies for HCFC management in light of their applicability to other Article 5 countries. Some representatives considered that the establishment of a steering committee would be advisable.

85. Following the discussion, the Executive Committee decided:

- (a) To note that:
 - (i) The May 2003 Technology and Economic Assessment Panel's HCFC Task Force Report predicted a dramatic increase in HCFC consumption in China in the foreseeable future;
 - (ii) The intent of the proposed project was also to allow utilization of its results for all Article 5 countries; and
 - (iii) Established Executive Committee policies did not support conversion of capacity installed after July 1995 nor a second conversion and the study was therefore not aiming at preparing or initiating any conversion projects;
- (b) To approve the project "Development of a suitable strategy for the long-term management of HCFCs, in particular HCFC-22, in China", addressed in documents UNEP/OzL.Pro/ExCom/43/21 and UNEP/OzL.Pro/ExCom/43/51, at the level of funding of US \$300,300 plus support costs for the Government of Germany of US \$39,039 on an exceptional basis on the condition that, as one of the outcomes, a study would look into the effects of management of HCFCs in China and in other Article 5 countries; and
- (c) To further note that:
 - (i) A schedule for the study, indicating a project duration of 21 months, had been submitted to the Fund Secretariat. Both the Government of Germany and the Government of China would strive to adhere to that schedule;
 - (ii) The Government of China intended to use relevant outcomes of the study as a basis for subsequent national action by the Government and expected that such action would take place within three years after finalization of the study; and
 - (iii) Interested Executive Committee members and implementing agencies would be invited to participate in an informal advisory group, which might discuss survey methodologies, the evaluation of information gathered, and policies.

(Decision 43/19)

86. The representative of Japan stated that he wished the report to reflect his Government's understanding that the information to be gathered in the study would include a historical review of the development of Chinese HCFC management policies, as well as the development of such policies after the current period. Furthermore, in the view of Japan, the "national action" referred to in the above decision was taken by Japan to mean accelerated phase-out of HCFC consumption.

87. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 43rd Meeting, as follows:

- (a) US \$468,125 against the balance of Canada's bilateral contributions for 2004;
- (b) US \$226,000 against the balance of France's bilateral contributions for 2004;
- (c) US \$670,454 against the balance of Germany's bilateral contributions for 2005;
- (d) US \$751,902 against the balance of Japan's bilateral contributions for 2004; and
- (e) US \$234,362 against the balance of Sweden's bilateral contributions for 2004.

(Decision 43/20)

(c) Amendments to work programmes for 2004

(i) UNEP

88. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/43/22, Corrs.1 and 2, and Add.1, containing proposed activities in the form of amendments to UNEP's work programme for 2004. The representative of the Secretariat indicated that all but four of the proposals had been approved as part of the list recommended for blanket approval under agenda item 7(a) (Overview of issues identified during project review). The Executive Committee considered the remaining two proposals for renewal of institutional strengthening projects for Côte d'Ivoire and Guatemala and the projects proposed for Bhutan, as indicated below.

Côte d'Ivoire (phase III): Renewal of institutional strengthening project

Guatemala (phase V): Renewal of institutional strengthening project

89. The representative of the Secretariat pointed out that up to the present Côte d'Ivoire had not reported 2003 data to the Fund Secretariat and had been considered to be in potential non-compliance with the Montreal Protocol. The data received that morning had indicated that, with a consumption level of 8.4 ODP tonnes of methyl bromide, Côte d'Ivoire still exceeded the baseline of 8.1 ODP tonnes. Furthermore, Guatemala appeared to be in non-compliance both with the Montreal Protocol and with its agreement with the Executive Committee on methyl bromide phase-out.

90. Following a discussion, the Executive Committee decided to approve the renewal of institutional strengthening projects for Côte d'Ivoire and Guatemala for one year only, at the levels of funding of US \$53,170 and US \$62,400 respectively, 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 III to the present report.

(Decision 43/21)

Bhutan: Preparation of the Bhutan country programme/refrigerant management plan (RMP)

Bhutan: Start-up for the establishment of the Ozone Unit (institutional strengthening)

91. The representative of the Secretariat referred to document UNEP/OzL.Pro/ExCom/43/22/Add.1, which was an addendum to UNEP's work programme amendments to provide assistance to Bhutan. The representative of UNEP indicated that, in a letter received on 30 June 2004, Bhutan had indicated that it would deposit the instruments of its accession to the Montreal Protocol by the end of July or, at the latest, at the beginning of August 2004. Although not yet a Party, Bhutan was firmly committed to accession and was keen to begin the implementation of the projects mentioned above to assist it in complying with the Protocol's control measures.

92. The Executive Committee decided:

- (a) To approve the preparation of the Bhutan country programme/refrigerant management plan at the level of funding of US \$45,000, plus US \$5,850 support costs for UNEP, and the institutional strengthening project for Bhutan at the funding level of US \$40,000, on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations; and
- (b) To request UNEP to amend its 2004 business plan accordingly.

(Decision 43/22)

(ii) UNDP

93. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/43/23 and Add.1, containing UNDP's work programme amendments for 2004, which included requests for funding eight projects. Seven proposals had been recommended for blanket approval and considered under agenda item 7(a). The Executive Committee considered the remaining proposal separately, as indicated below.

Bhutan: Preparation of the investment component of the Refrigerant Management Plan (RMP)

94. The representative of the Secretariat indicated that the activity proposed was complementary to the activities submitted in the work programme amendment of UNEP (see paragraphs 91 to 92 above).

95. The Executive Committee decided:

- (a) To approve the preparation of the investment component of the refrigerant management plan in Bhutan at the level of funding of US \$15,000, plus support costs of US \$1,125 for UNDP, on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations; and
- (b) To request UNDP to amend its 2004 business plan accordingly.

(Decision 43/23)

(iii) UNIDO

96. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/43/24, containing UNIDO's work programme amendments for 2004, which included requests for funding four proposals. All the activities had been recommended for blanket approval and considered under agenda item 7(a) (Overview of issues identified during project review), therefore, no further action was required under the present agenda item.

(iv) World Bank

97. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/43/25, containing one project preparation activity submitted by the World Bank. The activity had been recommended for blanket approval and considered under agenda item 7(a) (Overview of issues identified during project review), therefore, no further action was required under the present agenda item.

(d) Investment projects

98. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/43/20, containing a list of 10 projects for individual consideration, which were considered separately as indicated below:

Argentina: CFC production closure plan: 2003 and 2004 work programmes (World Bank) (UNEP/OzL.Pro/ExCom/43/26 and Add.1)

99. The representative of the Secretariat drew attention to two substantive issues and one procedural issue to be raised regarding the verification report on the CFC production of FIASA in Argentina for 2002 and 2003. The first substantive issue was the destruction of the daily CFC

production and raw material consumption records, which was inconsistent with the guidelines for verifying ODS production and could have prevented the verification team from conducting a responsible audit. The second substantive issue was related to the co-production of CFC-13, which was currently emitted by the plant and should be monitored for environmental purposes. The procedural issue was that the 2003 annual work programme had not been submitted and the 2004 programme, which had been submitted very late, did not include the necessary information on the activities to be implemented for the year.

100. Following a discussion, the Executive Committee decided:

- (a) To request the World Bank to comply fully with the guidelines on the verification of ODS production phase-out, adopted at the 32nd Meeting of the Executive Committee, especially with regard to the inclusion of a member with financial and accounting background in the verification team, and the need to examine the daily production and raw material consumption records;
- (b) Also to request the World Bank and the Government of Argentina to monitor the co-production of CFC-13 by FIASA in view of its environmental impact, and to report on the situation in the next verification report; and
- (c) To request the World Bank to submit the revised 2004 annual work programme for the CFC production closure agreement and to specify the funding being requested in the programme.

(Decision 43/24)

China: Phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I): 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/43/30)

101. The representative of the Secretariat summarized the results of the World Bank's verification of the production and consumption of CTC and CFC-113 in China contained in document UNEP/OzL.Pro/ExCom/43/30. He explained that three targets had been agreed with China and that, as stated in the table in paragraph 28 of the document, China had not achieved the first target regarding the maximum allowable sum of production and imports of CTC. China was therefore subject to a penalty clause in the agreement whereby funding could be reduced in proportion to the amount by which the target had been exceeded (US \$5,000 per ODP tonne).

102. After discussing whether China really had exceeded the target, and whether the target in row one of Table 2 in the agreement should be interpreted as the gross CTC production for both controlled and non-controlled uses or the production of CTC as defined in the Montreal Protocol, the Executive Committee decided:

- (a) To take note, with appreciation, of the efforts made by the World Bank and the Government of China in developing the verification system for monitoring the implementation of the sector plans for phasing out controlled CTC production and

consumption in China and applying it for the first time to the verification of CTC production and consumption in China for 2003;

- (b) To request the World Bank and the Government of China in the future to include the verification of CTC and CFC-113 imports and exports, as per the proposed framework;
- (c) To approve the funding of the 2004 annual programme at the proposed amount of US \$16 million and support costs for the World Bank of US \$1.2 million; and
- (d) To request the Secretariat and the World Bank to examine the CTC agreement and report back to the Executive Committee on the composition of the targets.

(Decision 43/25)

Costa Rica: Total methyl bromide phase-out used as a fumigant for melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding quarantine pre-shipment (QPS) applications (second and third tranches) (UNDP) (UNEP/OzL.Pro/ExCom/43/31)

103. The representative of the Secretariat indicated that the Government of Costa Rica had submitted a progress report for the first tranche of the project, as well as a work programme and a request for funding for both the second and third tranches. Despite the delay in implementing the project, methyl bromide consumption for 2003 was below the maximum level specified in the agreement between the Government of Costa Rica and the Executive Committee.

104. Following a discussion, the Executive Committee decided to approve the project for phase-out of methyl bromide used as a fumigant for melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (second and third tranches) in Costa Rica, at the level of funding of US \$1,938,114, plus support costs of US \$145,359 for UNDP, with the understanding that the Government of Costa Rica, in accepting the second and third tranches of project funding, would reduce its national aggregate consumption to 296.1 ODP tonnes by the end of 2005. In so doing, the Government agreed that Costa Rica would not return to the Executive Committee with a possible request for re-evaluation under decision Ex.I/2 of the First Extraordinary Meeting of the Parties, if at all, unless 130.8 ODP tonnes had been phased out by the end of 2005.

(Decision 43/26)

105. Based on recent official consultations of his Government with the Government of Costa Rica, the representative of Japan reported the understanding of his Government that the Government of Costa Rica was committed to the total phase-out of the use of methyl bromide in Costa Rica by 2008 pursuant to its agreement concluded with the Executive Committee, and did not propose to make any request for extension of the project's duration as reported by the Secretariat (see paragraph 7 of UNEP/OzL.Pro/ExCom/43/31).

Cuba: National CFC phase-out management plan: phase-out of ODS in the refrigeration and air-conditioning sector (first tranche) (Germany, Canada, France, UNDP) (UNEP/OzL.Pro/ExCom/43/33 and Corr.1)

106. The representative of the Secretariat indicated that the Government of Cuba had submitted a national CFC phase-out management plan. Implementation of the plan would lead to the phase-out of 361 ODP tonnes of Annex A, Group I substances, which represented the remaining consumption of CFCs in the country and, in addition, of residual consumption of Annex B, Group II substances. Following additional consultation, agreement had been reached on the proposed level of funding for the project.

107. The Executive Committee decided:

- (a) To approve in principle the national CFC phase-out management plan for Cuba at a total level of funding of US \$2,145,000 plus agency support costs of US \$256,245 for Germany, Canada, France and UNDP;
- (b) Also to approve the Agreement between the Government of Cuba and the Executive Committee contained in Annex IV to the present report; and
- (c) Further, to approve funding for the first tranche of the project as indicated below:
 - (i) US \$120,000 plus support costs of US \$15,600 for Germany;
 - (ii) US \$200,000 plus support costs of US \$26,000 for France; and
 - (iii) US \$400,000 plus support costs of US \$52,000 for Canada.

(Decision 43/27)

Lebanon: Phase-out of methyl bromide for soil fumigation in strawberry production (request for change of technology) (UNIDO) (UNEP/OzL.Pro/ExCom/43/36)

108. The representative of the Secretariat indicated that the project had originally been approved in principle at the 34th Meeting, with the third tranche being approved at the 41st Meeting. On behalf of the Government of Lebanon, UNIDO had submitted a report highlighting difficulties in implementing the project in its current form, with a request for approval to change the selected technology. UNIDO had indicated that the alternative technology desired by Lebanon was practical, economically feasible and accepted by end users. Furthermore, the proposed technology change would bring the total cost of the project down in relation to the amount approved in principle, while achieving complete phase-out by 2006, consistent with Lebanon's agreement with the Executive Committee.

109. Following a discussion in which the change in technology was described as providing Lebanon with more flexibility in relation to its phase-out efforts, the Executive Committee decided:

- (a) To approve the request for a change of the technology in the project for the phase-out of methyl bromide for soil fumigation in strawberry production in Lebanon; and
- (b) To amend the agreement between the Government of Lebanon and the Executive Committee accordingly to indicate a revised total project cost of US \$1,264,450 plus support costs of US \$137,291 for UNIDO, including a final tranche planned for funding in 2005 at a cost of US \$42,504 plus support costs of US \$3,188.

(Decision 43/28)

Malaysia: Technical assistance programme to install alternatives and phase out all remaining non-QPS uses of methyl bromide (UNDP) (UNEP/OzL.Pro/ExCom/43/37 and Corr.1)

110. The representative of the Secretariat indicated that the project had originally been submitted to the 41st Meeting; however, UNDP had requested that it be deferred until outstanding issues related to controlled uses of methyl bromide had been addressed by the relevant authorities in Malaysia. The Government of Malaysia had now submitted a revised project proposal in the form of a technical assistance programme to install alternative technologies to phase out 8.7 ODP tonnes of methyl bromide, representing all remaining controlled uses of methyl bromide.

111. The Executive Committee decided to approve the project proposal for the technical assistance programme to install alternatives and phase out all remaining non-QPS uses of methyl bromide in Malaysia at the level of funding of US \$200,000, plus support costs of US \$18,000 for UNDP, on the understanding that the Government of Malaysia would phase out all controlled uses of methyl bromide by the end of 2007 without any further assistance from the Multilateral Fund.

(Decision 43/29)

Malawi: Phase-out of all non-essential and non-QPS methyl bromide (fourth tranche) (UNDP) (UNEP/OzL.Pro/ExCom/43/38)

112. The representative of the Secretariat indicated that the Government of Malawi had requested funds for the fourth and final tranche of the project originally approved at the 34th Meeting. UNDP had submitted a progress report on the implementation of the project in 2003, as well as the 2004 work programme. Although the country had not been able to meet its 2003 phase-out target, it had implemented measures to meet the 2004 target of complete phase-out of methyl bromide.

113. The Executive Committee decided to approve the final tranche of the project on phase-out of all non-essential and non-QPS methyl bromide in Malawi at the funding level of US \$849,824, with agency support costs of US \$63,737 for UNDP.

(Decision 43/30)

Nigeria: Terminal ODS phase-out umbrella project in the solvent sector (first tranche)
(UNIDO) (UNEP/OzL.Pro/ExCom/43/40 and Add.1)

114. The representative of the Secretariat indicated that the Government of Nigeria had submitted a terminal umbrella project to phase out all ODS consumption in the solvent sector. Agreement had been reached with UNIDO on the proposed level of funding for the project and a draft decision had been developed to enable funding to be requested in four tranches.

115. The Executive Committee decided:

- (a) To approve in principle the terminal ODS phase-out umbrella project in the solvent sector for Nigeria at a total level of funding of US \$1,575,200 plus support costs of US \$118,140. This is the total funding that would be available to the Government of Nigeria from the Multilateral Fund for the complete phase-out of consumption of CTC and TCA;
- (b) Also to approve funding of US \$530,000 plus agency support costs for UNIDO of US \$39,750 for the first tranche in 2004;
- (c) That the remainder of the funding, as indicated in the table below, would be requested at the last Meeting of the Executive Committee in the relevant years:

Year	2005	2006	2007	2008
Project cost (US \$)	317,000	425,000	303,200	0
Agency support cost (US \$)	23,775	31,875	22,740	0
Total cost (US \$)	340,775	456,875	325,940	0

- (d) To establish the conditions indicated below:
 - (i) The Government of Nigeria agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of these substances;
 - (ii) The Government of Nigeria commits itself to the phased reduction and complete phase-out of consumption of CTC and TCA in Nigeria, according to the following schedule which is, at a minimum, consistent with the Montreal Protocol's control measures for CTC and TCA:

Year	2004	2005	2006	2007	2008	2009	2010
Annual CTC consumption limit (ODP tonnes)	166.7	22.9	22.9	22.9	0	0	0
Annual TCA consumption limit (ODP tonnes)	31.3	23.0	23.0	23.0	23.0	23.0	0

- (iii) The Executive Committee agrees to provide Nigeria with flexibility in using the agreed funds consistent with operational procedures as agreed

between the Government of Nigeria and UNIDO;

- (iv) The Government of Nigeria agrees to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year; and
- (v) UNIDO will be responsible for reporting annually on the implementation of activities funded under the project and for providing verification to the Executive Committee annually that the CTC and TCA consumption limits in the project have been achieved according to the above schedule.

(Decision 43/31)

Serbia and Montenegro: National CFC phase-out plan (first tranche) (UNIDO, Sweden) (UNEP/OzL.Pro/ExCom/43/42 and Add.1)

116. The representative of the Secretariat indicated that UNIDO, on behalf of the Government of Serbia and Montenegro, had submitted a national CFC phase-out plan. The implementation of the phase-out plan would result in the phase-out of the country's remaining CFC consumption by 2010, which was estimated to be 412 ODP tonnes in 2003.

117. After amending the draft agreement between the Government of Serbia and Montenegro and the Executive Committee contained in Annex I to document UNEP/OzL.Pro/ExCom/43/42/Add.1, the Executive Committee decided:

- (a) To approve in principle the national CFC phase-out plan for Serbia and Montenegro at a total level of funding of US \$2,742,544 plus agency support costs of US \$180,204 for UNIDO and US \$44,180 for Sweden;
- (b) Also to approve the agreement between the Government of Serbia and Montenegro and the Executive Committee contained in Annex V to the present report; and
- (c) To approve US \$474,700 plus support costs of US \$35,603 for UNIDO and US \$148,000 plus support costs of US \$19,240 for Sweden for implementation of the 2004 annual programme of the national CFC phase-out plan.

(Decision 43/32)

Uruguay: Phase-out of CFC consumption in the manufacture of aerosol metered-dose inhalers (UNDP) (UNEP/OzL.Pro/ExCom/43/44)

118. The representative of the Secretariat indicated that the Government of Uruguay had submitted a project to phase out CFC in the manufacture of aerosol MDIs. There were at present no patents in Uruguay concerning alternative MDI formulations and costs associated with the local development of new formulations or technology transfer and licence agreements had not

been requested. The incremental cost of the project had been agreed between the Secretariat and UNDP with a cost-effectiveness of US \$42.70/kg.

119. The Executive Committee decided to approve the project for the phase-out of CFC consumption in the manufacture of metered-dose inhalers in Uruguay at a total cost of US \$427,023 plus agency support costs of US \$32,027 for UNDP, noting that the firm assumed the risk of conversion to new formulations and that Government of Uruguay had agreed that no additional resources would be requested from the Multilateral Fund for activities related to the phase-out of CFCs used for the manufacturing of metered-dose inhalers.

(Decision 43/33)

AGENDA ITEM 8: COUNTRY PROGRAMMES

Guinea-Bissau

120. The representative of the Secretariat introduced the country programme for Guinea-Bissau contained in document UNEP/OzL.Pro/ExCom/43/46.

121. After noting that the baseline consumption for Guinea-Bissau had been established during preparation of the country programme, the Executive Committee decided:

- (a) To approve the country programme for Guinea-Bissau contained in document UNEP/OzL.Pro/ExCom/43/46, noting that approval of the country programme did not denote approval of the projects identified therein nor their funding levels. Approval of the Guinea-Bissau country programme would be without prejudice to any decisions that might be taken by the Parties following consideration by the Implementation Committee of the consumption data submitted under Article 7 by the Government of Guinea-Bissau; and
- (b) To request the Government of Guinea-Bissau to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, paragraph 135). Using the approved format, the initial report covering the period 1 July 2004 to 31 December 2004, should be submitted to the Multilateral Fund Secretariat no later than 1 May 2005.

(Decision 43/34)

Lebanon

122. The representative of the Secretariat introduced the country programme update for Lebanon contained in document UNEP/OzL.Pro/ExCom/43/47, explaining that Lebanon was requesting an increase in the level of CFC consumption remaining eligible for funding under Option 2 from 224.5 ODP tonnes to 312.5 ODP tonnes to address the previously unsurveyed

consumption in the Southern Lebanon and West Bekaa regions. With regard to Lebanon's apparent non-compliance in terms of methyl bromide consumption, the Secretariat had been informed that the Government of Lebanon was requesting a change in the methyl bromide baseline for compliance, and was taking the relevant steps with the Implementation Committee for that purpose.

123. The Executive Committee decided:

- (a) To approve the country programme update for Lebanon contained in document UNEP/OzL.Pro/ExCom/43/47, noting that approval of the country programme update did not denote approval of the projects identified therein nor their funding levels; and
- (b) To establish consumption of 312.5 ODP tonnes of CFC under Option 2 as the level of consumption remaining eligible for funding for Lebanon.

(Decision 43/35)

Romania

124. The representative of the Secretariat introduced the country programme update for Romania contained in document UNEP/OzL.Pro/ExCom/43/48 and Add.1, pointing out that 2002 consumption and production of each ODS as reported by the Government of Romania under Article 7 was below the respective baselines for compliance.

125. The Executive Committee decided to approve the country programme update for Romania contained in document UNEP/OzL.Pro/ExCom/43/48 and Add.1, noting that approval of the country programme update did not denote approval of the projects identified therein nor their funding levels.

(Decision 43/36)

AGENDA ITEM 9: POTENTIAL IMPLICATIONS OF SUBSEQUENTLY INCREASING THE AMOUNTS APPROVED FOR INSTITUTIONAL STRENGTHENING PROJECTS (DECISION 42/22 (b))

126. The representative of the Secretariat introduced a desk study on the implications of subsequently increasing the amounts approved for institutional strengthening projects (UNEP/OzL.Pro/ExCom/43/49), prepared pursuant to decision 42/22 (b). The study was based on the information available to the Secretariat on funding of institutional strengthening projects and indicated that there was no clear correlation between the level of funding for such projects and ODS consumption reductions or compliance prospects and data reporting activities. It also examined the financial implications for the Multilateral Fund on an annual basis if the minimum level of institutional strengthening funding to be provided was arbitrarily increased. It did not contain specific recommendations on changes to funding levels. Finally, it recalled that the

Executive Committee had already decided that two reviews of the levels of funding for assistance to be provided to Article 5 countries would be undertaken in 2005.

127. During the ensuing discussion, the importance of having sufficient funding for institutional strengthening in all Article 5 countries to cover the cost of a full-time, qualified national ozone officer was emphasized. Concern was expressed about committing additional resources to a further study of the relationship between institutional strengthening and compliance. However, it was also stated that more in-depth knowledge of countries' needs in order to facilitate compliance and the role of institutional strengthening in meeting those needs would shed more light on the establishment of a funding threshold for institutional strengthening. It was suggested that any increase in the minimum funding level for institutional strengthening should be matched by a commitment on the part of Article 5 countries to hire a full-time national ozone officer and should be contingent on the adoption of legislation in those countries to control trade in ODS.

128. Following the discussion, the Executive Committee decided:

- (a) To supplement the lower ranges of annual funding levels for institutional strengthening for very low-volume-consuming countries and low-volume-consuming countries up to a threshold level of US \$30,000 per year, on the understanding that:
 - (i) This amount could be reviewed in the context of the review of institutional strengthening funding levels due to be considered in 2005 in accordance with decision 35/57 and the review of the requirement for further assistance for countries post-2007 also foreshadowed for 2005 under decision 31/48; and
 - (ii) The increase to the US \$30,000 threshold level would be provided on the condition that:
 - i. The relevant country duly assigned a full-time officer to manage the ozone unit; and
 - ii. A national licensing system controlling ODS imports was in place; and
- (b) To consider this matter, in the context of the review of institutional strengthening funding, in 2005 and to request the Secretariat to continue to collect relevant information in that respect.

(Decision 43/37)

AGENDA ITEM 10: CRITERIA FOR THE ASSESSMENT OF THE PROGRESS REPORTS AND VERIFICATION AUDITS OF MULTI-YEAR AGREEMENTS (DECISION 41/15)

129. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/43/50 containing proposed criteria for the assessment of progress reports and verification audits of multi-year agreements (MYAs), submitted in response to decision 41/15.

130. He informed the Committee that the portfolio of projects was changing; there were now very few individual, stand-alone projects - most were MYAs - and the current monitoring system, which was based on such individual projects, might not be suitable for MYAs. The purpose of the proposed criteria was to develop a monitoring instrument that could be used by the Executive Committee, the implementing agencies, the Secretariat, and the governments of Article 5 Parties to assess implementation of national phase-out plans and to detect in advance any possibilities of non-compliance.

131. Several representatives doubted whether the same reporting requirement could be applied to all countries regardless of the amount of consumption, the level of funding of the phase-out plans, or the associated cost of verification. It was suggested that the Secretariat and the implementing agencies develop a unified format to merge the current reporting for country programmes and institutional strengthening projects with other reporting requirements in order to collect information from LVCs on the status of compliance. As for countries with high and medium level consumption, it was suggested that implementing agencies work with them to identify indicators to measure the achievement of phase-out targets, and that there might be no common standards applicable to all countries. Members agreed that, although the Secretariat's report was a good starting point for discussion, it was too soon to take a decision.

132. The Executive Committee decided:

- (a) To request Executive Committee members, bilateral agencies and implementing agencies to submit their written comments on the criteria for the assessment of the progress reports and verification audits of multi-year agreements contained in document UNEP/OzL.Pro/ExCom/43/50 to the Secretariat before 20 September 2004; and
- (b) To request the Secretariat to prepare a new document for consideration at the 44th Meeting of the Executive Committee.

(Decision 43/38)

AGENDA ITEM 11: RESPONSIBILITY OF THE MULTILATERAL FUND AND POTENTIAL ELIGIBILITY REQUIREMENTS FOR STUDIES ON THE MANAGEMENT OF HCFCs (DECISION 42/7 (b))

133. See above paragraphs 83 to 86 of agenda item 7(b).

AGENDA ITEM 12: ACCOUNTS OF THE MULTILATERAL FUND

(a) Reconciliation of the 2002 accounts (follow-up to decision 42/41)

134. The representative of the Secretariat presented the documents on reconciliation of the 2002 accounts of the Multilateral Fund (UNEP/OzL.Pro/ExCom/43/52 and Add.1), which addressed the issues pending from the 42nd Meeting of the Executive Committee and contained a letter from the United Nations Controller on the issue of UNDP's initial start-up costs.

135. The representative of Japan wished to enter a reservation regarding the letter from the United Nations Controller. He felt that, while the initial start-up costs might have been audited, new information about start-up costs had subsequently come to light and the auditors should re-examine the situation on the basis on that new information.

136. Concerning the Secretariat's recommendation that interest collected from bilateral activity funding included in interest-bearing accounts be returned to the Multilateral Fund for re-programming, one member indicated that changes to the recommendation proposed during the discussion would require further consultation in his capital before it could be accepted. The recommendation was therefore deferred to the 44th Meeting of the Executive Committee.

137. Having considered the adjustments regarding UNDP's initial start-up costs and its 2002 accounts and given that the World Bank's audited 2002 accounts had not been submitted to the 43rd Meeting, the Executive Committee decided:

- (a) To note the reconciliation of the 2002 accounts as presented in documents UNEP/OzL.Pro/ExCom/43/52 and Add.1, together with Japan's reservation;
- (b) Also to note that the Treasurer would make the appropriate adjustments to account for the additional interest reported by UNDP and the audited level of initial start-up costs as indicated by UNDP to be US \$596,500; and
- (c) To urge the World Bank to submit the audited 2002 accounts to the 44th Meeting of the Executive Committee.

(Decision 43/39)

(b) 2003 accounts

138. The Treasurer presented the accounts of the Multilateral Fund for the biennium 2002-2003 as submitted to the United Nations External Auditors in April 2004 (UNEP/OzL.Pro/ExCom/43/53). While the audit exercise had been completed, the signed management letter and final recommendations were not expected until September 2004. The accounts were therefore for information only and the Executive Committee could expect a formal presentation at its 44th Meeting. Implementing agencies were asked in the meantime to review the document with a view to reconciling it with their individual audited statements.

139. The Executive Committee took note of the report contained in document UNEP/OzL.Pro/ExCom/43/53.

AGENDA ITEM 13: TREATMENT/ENCASHMENT OF PROMISSORY NOTES (FOLLOW-UP TO DECISIONS 41/4 AND 42/44)

140. The Treasurer introduced a study prepared in response to decisions 41/4 and 42/44 on the treatment and encashment of promissory notes. The report was in two parts: the first (UNEP/OzL.Pro/ExCom/43/54) dealt with historical aspects and impacts and provided related data; and the second (UNEP/OzL.Pro/ExCom/43/54/Add.1) focused on a survey of organizations using such an instrument. The Treasurer drew participants' attention to the need to correct paragraph 40 of document UNEP/OzL.Pro/ExCom/43/54, which should have read "In order to manage the exchange rate fluctuation of promissory notes denominated in *currencies other than* US dollars...".

141. In the Treasurer's view, it was a very general survey limited by time constraints and changes in staff. On the whole, promissory notes had been found to be effective tools, yet the study supported the need for certain refinements regarding format, systematic encashment and timely receipt of related bank statements.

142. Members of the Committee, however, agreed that the system currently in place for promissory notes was on the whole a good one and was working well enough. One difficulty in standardizing the system would be that financial regulations varied from country to country and the encashment of promissory notes was often subject to internal government procedures. Although there were some differences between countries, there were no huge discrepancies and members saw no need to institute a new system.

143. Nevertheless, it was felt that certain of the recommendations in the report might be acceptable to some countries and so, having noted the study, the Executive Committee agreed to consider the document further at the 44th Meeting.

AGENDA ITEM 14: UNIFIED BUDGETS FOR THE UNEP COMPLIANCE ASSISTANCE PROGRAMME (CAP) (FOLLOW-UP TO DECISION 41/39)

144. The Treasurer presented the document on unified budgets for the UNEP Compliance Assistance Programme (CAP) (UNEP/OzL.Pro/ExCom/43/55), which had been prepared pursuant to decision 41/39 and contained a copy of the response of UNEP's Executive Director to the Committee's request to investigate how it could prepare unified budgets for the CAP.

145. The Treasurer explained that, in his response, the Executive Director had advised that three steps would need to be taken to establish unified budgets for all implementing agencies:

- (a) The status of the UNEP Trust Fund would need to be changed from a special to a general purpose fund;

- (b) UNEP Governing Council approval would be required for the establishment of the general fund;
- (c) Agreements between the Executive Committee and UNEP, and between the Executive Committee and the implementing agencies, would need to be amended.

146. Given these legal and administrative complexities, which would have far-reaching implications for the entire programme support regime, representatives felt that no action should be taken at present but that the topic might be returned to in the future as appropriate.

147. After a discussion, the Executive Committee took note, with appreciation, of the document on unified budgets for the Compliance Assistance Programme (CAP) (UNEP/OzL.Pro/ExCom/43/55) as a useful guide for its consideration of any relevant issues relating to unified budgets in the future.

AGENDA ITEM 15: REPORT ON PROGRAMME SUPPORT COSTS OF BILATERAL COOPERATION PROJECTS (DECISION 42/45 (c))

AND

AGENDA ITEM 16: RIGHTS AND OBLIGATIONS OF BILATERAL AGENCIES UNDER THE MONTREAL PROTOCOL AND ITS MULTILATERAL FUND (DECISION 42/45 (e))

148. The Executive Committee decided to discuss agenda items 15 and 16 together.

149. The representative of the Secretariat presented the document on programme support costs for bilateral cooperation projects (UNEP/OzL.Pro/ExCom/43/56), which contained a brief report on the follow-up by the Secretariat to decision 42/45 (c). He recalled that, at its 42nd Meeting, the Executive Committee had invited bilateral agencies to make further submissions giving their views on the matter in order to facilitate discussion at the 43rd Meeting (decision 42/45), but that no further submissions had been received.

150. The representative of Japan pointed out that he had made a statement at the end of the discussion at the 42nd Meeting that had been included in paragraph 146 of the report of that Meeting (UNEP/OzL.Pro/ExCom/42/54), which was to be regarded as his country's submission on the topic. He also reviewed the background to agenda item 16 (Rights and obligations of bilateral agencies under the Montreal Protocol and its Multilateral Fund (decision 42/45 (e)). Various decisions on agency support costs, notably decision 26/41, did not adequately address the needs of the bilateral agencies. He suggested that a workshop might be organized concurrently with an interagency coordination meeting in order to work out a more equitable arrangement regarding support costs for bilateral agencies, in the interests of enhanced coordination and cooperation.

151. Other representatives expressed the view that support costs for bilateral agencies should not exceed 13 per cent and should be lower if possible, as requested by the Parties to the

Montreal Protocol. One representative indicated that the total amount of support costs could not exceed the amount that would have been available in accordance with decision 26/41. The representative of Japan clarified that bilateral agencies were not seeking an increase in the overall cost level, but rather were seeking to have some portion of the percentage paid as a lump sum core funding payment. Another representative indicated that bilateral agencies should be allowed to choose whether any new modality, or the existing modality according to decision 26/41, would apply to them.

152. Following the discussion, the Executive Committee decided to request the Secretariat, in cooperation with interested Parties, to prepare a paper, for consideration at the 45th Meeting, on a procedure for using support costs, not to exceed 13 per cent value of approved projects, in a more flexible manner, taking into account the discussion which had taken place at the present Meeting of the Executive Committee.

(Decision 43/40)

AGENDA ITEM 17: EXPORT AND IMPORT LICENSING SYSTEMS: AN UPDATE (DECISION 41/79)

153. The representative of the Secretariat presented the document on export and import licensing systems (UNEP/OzL.Pro/ExCom/43/57) which had been prepared pursuant to decision 41/79. The document provided an updated list of those countries that had not yet reported the establishment of a licensing system (subdivided according to whether or not they were Parties to the Montreal Amendment) and those countries that had reported the establishment of a licensing system to UNEP but not to the Ozone Secretariat.

154. The representative of the Islamic Republic of Iran reported that his country was waiting for customs training to be implemented before establishing a licensing system, but that he expected that to happen by autumn 2004. The representative of Austria pointed out that three countries listed in the document (Cyprus, Latvia and Malta) had recently become member States of the European Union and were therefore covered by the European Union licensing system. The representative of Belgium added that his country too was covered by the European Union licensing system.

155. After a discussion, the Executive Committee took note of the document on export and import licensing systems: an update (UNEP/OzL.Pro/ExCom/43/57).

AGENDA ITEM 18: MONITORING OF TRADE IN OZONE-DEPLETING SUBSTANCES AND PREVENTING ILLEGAL TRADE IN OZONE-DEPLETING SUBSTANCES (DECISION XIV/7 OF THE FOURTEENTH MEETING OF THE PARTIES)

156. The representative of the Secretariat presented the documents on monitoring of trade in ozone-depleting substances and preventing illegal trade in ozone-depleting substances (UNEP/OzL.Pro/ExCom/43/58 and Corr.1), which had been prepared pursuant to

decision XIV/7 of the Fourteenth Meeting of the Parties. The documents included the two reports which the Executive Committee had been requested to submit to the Sixteenth Meeting of the Parties under decision XIV/7: a report from UNEP/DTIE on the activities of the UNEP regional networks with regard to means of combating illegal trade; and an evaluation of projects on customs officers training and on licensing systems.

157. In response to questions, the representative of the Secretariat clarified that the evaluation was drawn from past evaluations, of training projects and of RMPs in LVCs; components relevant to illegal trade and monitoring of trade had been extracted and presented in the current report.

158. The representative of the United States of America felt, however, that this gave an inaccurate and outdated picture of the current activities of the Fund and that a new evaluation should be prepared for submission to the Seventeenth Meeting of the Parties.

159. One representative drew the Meeting's attention to the problems faced by Article 5 countries in disposing of illegally-traded substances and equipment seized by customs; it would be wrong for funding already allocated to phase-out projects to be diverted to that process, but resources needed to be made available from somewhere. Another representative mentioned the problems of illegal trade caused by free-trade zones. Another representative suggested that the UNEP/DTIE report could be improved by including a reference to the importance of sectoral phase-out plans in helping to combat illegal trade. The representative of UNEP welcomed the comments and asked to be informed of any other activities that had been omitted, which could be included in the final version of the report, due for submission to the Meeting of the Parties by 24 September 2004.

160. The Executive Committee decided:

- (a) To forward Part I, Sections 1 and 2, of document UNEP/OzL.Pro/ExCom/43/58/Corr.1, as amended and updated, to the Sixteenth Meeting of the Parties; and
- (b) To report to the Parties that the Executive Committee would undertake a new evaluation of projects on customs officers training and on licensing systems, to be presented to the Seventeenth Meeting.

(Decision 43/41)

**AGENDA ITEM 19: TERMS OF REFERENCE OF THE EXECUTIVE COMMITTEE
(FOLLOW-UP TO DECISION 42/48)**

161. The Chair introduced her report on the terms of reference of the Executive Committee (follow-up to decision 42/48) contained in document UNEP/OzL.Pro/ExCom/43/59. She recalled that decision 42/48 called on the Chair 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 relating to the selection of the Chief Officer of the Secretariat of the Multilateral Fund. She reported that she had been able to meet with Mr. Klaus Töpfer, Executive Director of UNEP, who had promised to convey his written reply as soon as possible. Mr. Töpfer had indicated, however, that the Multilateral Fund and the Executive Committee were subject to the general operating procedures of the United Nations regarding the appointment of staff. The final decision on appointments lay with the Secretary-General of the United Nations, who was free to seek the opinions of other interested parties, if he so wished.

162. The Chair said that, following the letter attached as Annex II to the relevant document, she had contacted the Assistant Secretary-General for Human Resources Management, who had assured her that a written reply would shortly be transmitted.

163. The representative of Japan expressed his surprise at Mr. Töpfer's comments and said that, although technically the Secretary-General of the United Nations made the final decision on appointments, the Executive Committee should be able to nominate a candidate whom the Secretary-General would then appoint. The representative of Japan considered that the Executive Committee should express its concern that the Secretary-General could override its decision. Alternatively, the Executive Committee could make a number of proposals from which the Secretary-General could then make his choice. He also recorded an alternative suggestion made by some delegations at the Fifteenth Meeting of the Parties that the Office of Human Resources Management could draw up a list of 10-20 candidates from which the Executive Committee could propose one candidate for approval by the Secretary-General. In any event, it was Japan's view that the Executive Committee should exercise caution in approving any procedure that would allow its decision to be overruled.

164. On the basis of the comments, and given that final replies had not yet been received from all those consulted, the Executive Committee decided:

- (a) To take note, with appreciation, of the efforts made by the Chair and to request that the consultations required by Executive Committee decision 42/48 continue; and
- (b) To request the Secretariat to circulate to members of the Executive Committee the draft of the report intended for presentation to the Sixteenth Meeting of the Parties as requested in decision XV/48 of the Fifteenth Meeting of the Parties so as to enable members to submit their comments prior to that Meeting.

(Decision 43/42)

AGENDA ITEM 20: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR

165. The representative of Canada introduced the report of the Subgroup on the Production Sector (UNEP/OzL.Pro/ExCom/43/60), composed of Bangladesh, Canada (facilitator), the

People's Republic of China, Cuba, Japan, Mauritius, the United Kingdom of Great Britain and Northern Ireland and the United States of America, which had met three times during the week.

166. The representative of Cuba observed that the Government of Venezuela had already supplied information on measures taken to control illegal imports and the specific request did not, therefore, need to appear in the recommendations.

167. In response to a request for information about the breakdown of costs for the China TCA production closure project, the representative of the World Bank clarified that the amount for labour costs remained the same as in the original project proposal; it was only the figure for compensation for lost profit that would be reduced.

168. After a discussion, the Executive Committee decided:

- (a) To take note of the update by the Chief Officer, the World Bank and the representative of the United States of America on the production sector projects in the pipeline;
- (b) To authorize the Secretariat to proceed with the technical audit of methyl bromide production in China and to request the Secretariat to include in the terms of reference of the technical audit the collection of data on methyl bromide production both for controlled uses and quarantine pre-shipment;
- (c) To authorize the Secretariat to proceed with the technical audits of the ODS producers in Romania after it had received the preliminary data from the country;
- (d) To take note of the verification framework for the plan for the CTC sector in India developed by the World Bank and the Government of India and to request the World Bank to submit it to the Executive Committee after completion;
- (e) To request the Secretariat to clarify with the technical audit consultant the selection of the parameters used in calculating the cost scenario for the Venezuela CFC production closure project, to provide the Government of Venezuela and the World Bank with the information as soon as it became available and to inform the Subgroup of the results; and
- (f) To request the Government of Venezuela to provide, through the Secretariat, the information requested by Subgroup members during the Meeting.

(Decision 43/43)

169. In relation to the China TCA production closure project, the Executive Committee decided:

- (a) To approve in principle the China TCA production closure project at a total level of funding of US \$2.1 million plus agency support costs of US \$157,500 for the World Bank;

- (b) Also to approve the Agreement between the Government of the People's Republic of China and the Executive Committee contained in Annex VI to the present report;
- (c) To approve US \$1.4 million plus agency support costs of US \$105,000 for the World Bank for the first tranche covering the 2004-2008 programme; and
- (d) To request the World Bank to provide the annual audited TCA production report to UNDP to facilitate the verification of TCA consumption under the solvent sector plan in China.

(Decision 43/44)

AGENDA ITEM 21: OTHER MATTERS

Dates and venues of the 44th and 45th Meetings of the Executive Committee

170. The representative of the Secretariat explained that it would be possible, logistically, for the 44th Meeting of the Executive Committee to take place either in Prague (Czech Republic), immediately before or after the Sixteenth Meeting of the Parties (i.e., 15-19 November or 29 November-3 December), or in Montreal in the period 6-10 December 2004. For the year 2004 as a whole, the total additional costs of holding two meetings outside Montreal would come to an estimated US \$250,000, but that would be partially offset by the savings generated from holding those meetings back-to-back with other ozone meetings, as well as savings generated from the Secretariat operational costs, which would be an estimated US \$200,000.

171. Representatives identified various conflicts with other meetings, including the Implementation Committee, the GEF Council and the Conference of the Parties to the United Nations Framework Convention on Climate Change.

172. After agreeing to delegate the choice of date and venue for the 44th Meeting of the Executive Committee to the Chair, in consultation with the Secretariat and implementing agencies, the Executive Committee subsequently decided to endorse the Chair's proposal that the 44th Meeting of the Executive Committee should take place in Prague from 29 November to 3 December 2004.

(Decision 43/45)

173. The Chief Officer said that, after holding consultations, it was proposed that the date and venue for the 45th Meeting should be fixed provisionally as 4-8 April 2005 in Montreal.

174. She also announced that the report of the Executive Committee to the Meeting of the Parties, covering the matters dealt with at the 41st, 42nd and 43rd Meetings, would be circulated to the members of the Executive Committee intersessionally.

175. The Executive Committee decided to authorize the Secretariat to prepare the annual report of the Executive Committee to the Meeting of the Parties; the document should be circulated to the members of the Executive Committee before its submission to the Sixteenth Meeting of the Parties.

(Decision 43/46)

UNEP regional network coordinator for Europe

176. The representative of UNEP sought Executive Committee's endorsement for the change in the location of the regional network coordinator for Europe. The post had been approved by the Committee with location in UNEP Regional Office for Europe in Geneva. On the basis of work carried out, it had, however, proved to be difficult to operate the network effectively in isolation from other CAP staff. He therefore proposed that the post be relocated to UNEP/DTIE Office in Paris. Such a decision would have no financial implication. The Executive Committee endorsed UNEP's proposal.

AGENDA ITEM 22: ADOPTION OF THE REPORT

177. The Executive Committee adopted its report on the basis of the draft report contained in documents UNEP/OzL.Pro/ExCom/43/L.1 and Add.1.

AGENDA ITEM 23: CLOSURE OF THE MEETING

178. The Chair declared the Meeting closed at noon on Friday, 9 July 2004.

Annex I

**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 30 June 2004

INCOME	
Contributions received:	
- Cash payments including note encashments	1,461,688,676
- Promissory notes held	92,840,917
- Bilateral cooperation	76,446,959
- Interest earned	139,717,183
- Miscellaneous income	5,433,349
Total Income	1,776,127,084
ALLOCATIONS AND PROVISIONS	
- UNDP	452,452,591
- UNEP	84,319,606
- UNIDO	371,123,687
- World Bank	698,988,219
Less Adjustments	-
Total allocations to implementing agencies	1,606,884,103
Secretariat and Executive Committee costs (1991-2005)	
- includes provision for staff contracts into 2005 (including Treasury fees)	44,835,964
Monitoring and Evaluation costs (1999-2004)	1,507,753
Technical Audit costs (1998-2004)	849,960
Information Strategy costs (2003-2005)	
- includes provision for Network maintenance costs for 2005	104,750
Bilateral cooperation	76,446,959
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	4,615,147
Total allocations and provisions	1,735,244,636
BALANCE AVAILABLE FOR NEW ALLOCATIONS	40,882,447

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 30 June 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	158,000,001	158,000,000	1,888,337,599
Cash payments/received	206,026,442	381,375,628	407,578,888	370,955,920	1,365,936,878	78,252,543	17,499,255	1,461,688,676
Bilateral assistance	4,366,255	12,089,441	22,144,067	22,764,491	61,364,254	5,022,466	10,060,239	76,446,959
Promissory notes	0	0	0	34,965,673	34,965,673	40,428,608	17,446,636	92,840,917
Total payments	210,392,697	393,465,069	429,722,955	428,686,084	1,462,266,805	123,703,617	45,006,130	1,630,976,552
Disputed contributions	0	8,098,267	0	0	8,098,267	0	0	8,098,267
Outstanding pledges	24,536,544	31,376,278	42,844,054	11,313,917	110,070,793	34,296,384	112,993,870	257,361,047
Payments %age to pledges	89.56%	92.61%	90.93%	97.43%	93.00%	78.29%	28.48%	86.37%
Interest earned	5,323,644	28,525,733	44,685,516	53,955,043	132,489,936	7,227,247	0	139,717,183
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	5,088,349	345,000	0	5,433,349
TOTAL INCOME	217,158,444	423,288,168	475,632,069	483,766,409	1,599,845,090	131,275,864	45,006,130	1,776,127,084
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	158,000,001	158,000,000	1,888,337,599
Total payments	210,392,697	393,465,069	429,722,955	428,686,084	1,462,266,805	123,703,617	45,006,130	1,630,976,552
Payments %age to pledges	89.56%	92.61%	90.93%	97.43%	93.00%	78.29%	28.48%	86.37%
Total income	217,158,444	423,288,168	475,632,069	483,766,409	1,599,845,090	131,275,864	45,006,130	1,776,127,084
Total outstanding contributions	24,536,544	31,376,278	42,844,054	11,313,917	110,070,793	34,296,384	112,993,870	257,361,047
As % to total pledges	10.44%	7.39%	9.07%	2.57%	7.00%	21.71%	71.52%	13.63%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,570,102	31,376,278	33,019,397	10,317,292	99,283,069	2,846,716	3,164,254	102,129,785
CEITs' outstandings %age to pledges	10.46%	7.39%	6.99%	2.34%	6.31%	1.80%	2.00%	5.41%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

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

Table 3 : 1991-2004 Summary Status of Contributions

As at 30 June 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange Gain/Loss
Australia*	34,076,589	32,615,333	1,208,219	0	253,037	798,797
Austria	19,374,514	17,804,351	131,790	0	1,438,373	-280,554
Azerbaijan	836,805	100,000	0	0	736,805	0
Belarus	2,533,788	0	0	0	2,533,788	0
Belgium	24,057,113	21,762,282	108,480	0	2,186,351	738,724
Brunei Darussalam	0	0	0	0	0	0
Bulgaria	1,042,631	1,017,655	0	0	24,976	0
Canada*	65,798,363	51,455,445	7,471,597	3,963,867	2,907,454	-80,679
Cyprus	148,670	148,670	0	0	0	0
Czech Republic	5,450,918	5,450,917	66,090	0	-66,090	39,515
Denmark	15,727,943	12,621,896	205,000	0	2,901,047	432,141
Estonia	113,796	94,584	0	0	19,212	0
Finland	12,723,120	11,431,187	451,870	0	840,063	50,280
France	141,818,503	83,981,792	10,668,878	32,717,252	14,450,580	-1,772,442
Georgia	0	0	0	0	0	0
Germany	209,373,661	154,900,985	28,827,936	20,676,086	4,968,654	970,341
Greece	8,883,215	6,428,210	0	0	2,455,005	6,952
Hungary	3,260,575	3,260,575	46,494	0	-46,494	0
Iceland	694,034	728,609	0	0	-34,576	-3,890
Ireland	4,923,022	4,352,419	0	0	570,603	208,838
Israel	6,389,006	3,544,647	38,106	0	2,806,253	0
Italy	109,599,874	100,353,016	5,324,489	0	3,922,369	3,291,976
Japan	353,520,945	311,520,916	7,152,503	0	34,847,526	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	298,152	298,159	0	0	-7	0
Liechtenstein	188,686	188,685	0	0	1	0
Lithuania	435,179	14,975	0	0	420,204	0
Luxembourg	1,534,505	1,617,508	0	0	-83,003	-30,283
Malta	28,052	28,052	0	0	0	0
Monaco	150,382	150,382	0	0	0	0
Netherlands	36,101,227	32,737,165	0	6,728,133	-3,364,071	0
New Zealand	5,295,712	5,295,712	0	0	1	68,428
Norway	13,094,342	13,094,341	0	0	0	172,322
Panama	16,915	16,915	0	0	0	0
Poland	4,601,235	2,907,001	113,000	0	1,581,234	0
Portugal	7,110,119	5,406,751	0	0	1,703,368	198,162
Russian Federation	91,426,635	0	0	0	91,426,635	0
Singapore	531,221	459,245	71,976	0	0	0
Slovakia	1,772,339	1,772,340	16,523	0	-16,524	0
Slovenia	372,528	372,528	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	52,320,700	47,442,715	795,841	0	4,082,144	0
Sweden	25,461,724	22,218,366	1,509,333	0	1,734,025	324,946
Switzerland	26,786,520	24,295,807	826,643	0	1,664,070	732,688
Tajikistan	94,713	5,333	0	0	89,380	0
Turkmenistan	287,481	5,764	0	0	281,717	0
Ukraine	8,701,833	785,600	0	0	7,916,233	0
United Arab Emirates	559,639	559,639	0	0	0	0
United Kingdom	116,408,423	95,087,845	565,000	20,755,579	-1	-1,251,117
United States of America	469,771,570	379,136,645	10,817,191	8,000,000	71,817,734	0
Uzbekistan	560,441	167,473	0	0	392,968	0
SUB-TOTAL	1,888,337,599	1,461,688,676	76,446,959	92,840,917	257,361,047	4,615,147
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267	
TOTAL	1,896,435,866	1,461,688,676	76,446,959	92,840,917	265,459,314	

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.

(**) 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 30 June 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,058,937			91,869
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	945,218	214,700		3,794,916
Cyprus	0	0			0
Czech Republic	330,450	330,450			0
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	2,076,683		10,442,006
Georgia	0	0			0
Germany	18,914,440	0	3,767,549		15,146,891
Greece	1,043,224	0			1,043,224
Hungary	232,468	232,468			(0)
Iceland	63,400	83,867			0
Ireland	570,603	0			570,603
Israel	803,071				803,071
Italy	9,805,922	7,844,737			1,961,185
Japan*	34,760,000	2,804,730	2,780,000		29,175,270
Kuwait	0	0			0
Latvia	19,212	19,212			0
Liechtenstein	11,527	11,527			0
Lithuania	32,661	0			32,661
Luxembourg	153,698	196,934			0
Malta	0	0			0
Monaco	7,685	7,685			(0)
Netherlands	3,364,061	0		6,728,133	(3,364,072)
New Zealand	466,857	466,857			0
Norway	1,252,637	1,252,637			0
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
Slovakia Republic	82,613	82,613			(0)
Slovenia	155,619	155,619			0
South Africa	0	0			0
Spain	4,877,985	0	795,841		4,082,144
Sweden	1,988,466	0	26,553		1,961,913
Switzerland	2,447,638	0	398,913		2,048,725
Tajikistan	1,921	0			1,921
Turkmenistan	5,764	5,764			(0)
Ukraine	101,825	0			101,825
United Arab Emirates	0	0			0
United Kingdom	10,718,503	0		10,718,503	(0)
United States of America	34,760,000	0			34,760,000
Uzbekistan	21,133	0			21,133
TOTAL	158,000,000	17,499,255	10,060,239	17,446,636	113,057,573

* Please note US \$5,584,730 received in cash prior to request for bilateral cash transfer to UNDP.

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

Table 5 : Status of Contributions for 2003

As at 30 June 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	2,227,320	0	0	(394,473)
Azerbaijan	7,685	0	0	0	7,685
Belarus	36,503		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	3,963,867	(95,974)
Cyprus	0	0	0	0	0
Czech Republic	330,450	330,450	66,090	0	(66,090)
Denmark	1,450,523	0	0	0	1,450,523
Estonia	19,212	19,212	0	0	0
Finland	1,010,563	1,284,991	0		(274,428)
France	12,518,689	0	0	12,518,689.00	0
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	232,468	46,494	0	(46,494)
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	34,721,722	38,278	0	0
Kuwait	0	0	0	0	0
Latvia	19,212	19,219	0	0	(7)
Liechtenstein	11,527	11,527	0	0	0
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	7,705	0	0	(20)
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
Slovakia Republic	82,613	82,613	16,523	0	(16,523)
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	1,876,089	340,264		(227,887)
Switzerland	2,447,638	2,832,293	0	0	(384,655)
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	1,786,418	0	8,932,085	(0)
United States of America	34,760,000	3,702,266	0	0	31,057,734
Uzbekistan	21,133	0	0	0	21,133
TOTAL	158,000,001	78,252,543	5,022,466	40,428,608	34,296,384

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

Table 6 : 1991-2002 Summary Status of Contributions

As at 30 June 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	50,231,746	6,448,438	0	(791,489)
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	83,981,792	8,592,195	20,198,563	4,008,575
Georgia	0	0	0	0	0
Germany	171,544,782	151,000,512	21,262,160	5,662,119	(6,380,009)
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
Slovakia	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	93,301,427	565,000	1,104,991	0
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	1,365,936,878	61,364,254	34,965,673	110,070,793
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267
TOTAL	1,580,435,865	1,365,936,878	61,364,254	34,965,673	118,169,060

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 30 June 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	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	4,232,460	1,138,255	0	(757,931)
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		1,187,874	9,806,128	(39,895)
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
Slovakia	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	7,420,453	0	1,104,991	0
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	108,803,937	15,354,948	21,573,238	934,544

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

Table 8: Status of Contributions for 2001

As at 30 June 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	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	16,427,810	0	0	0
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
Slovakia	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	8,525,444	0	0	0
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	122,826,300	3,380,349	13,392,435	7,067,583

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

Table 9: Status of Contributions for 2000

As at 30 June 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	10,694,928	259,179	0	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
Slovakia	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	8,525,444	0	0	0
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	139,325,683	4,029,194	0	3,311,790

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

Table 10 Status of Contributions for 2000 - 2002

As at 30 June 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	12,275,000	2,321,283	0	(757,931)
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	10,694,928	2,008,725	20,198,563	(39,895)
Georgia	0	0	0	0	0
Germany	49,283,430	40,063,633	9,937,687	5,662,119	(6,380,009)
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
Slovakia	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	24,471,341	0	1,104,991	0
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	370,955,920	22,764,491	34,965,673	11,313,917

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

Table 11: Status of Contributions for 1997 - 1999

As at 30 June 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	26,013,773	5,258,467	0	4,048,470
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
Slovakia	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	28,733,411	565,000	0	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	407,578,888	22,144,067	0	42,844,054

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

Table 12: Status of Contributions for 1994 - 1996

As at 30 June 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
Slovakia	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 30 June 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
Slovakia	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

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
AFGHANISTAN						
SEVERAL						
Institutional strengthening						
Institutional strengthening project (phase I, start-up)	UNEP		\$40,000	\$0	\$40,000	
Preparation of project proposal						
Preparation of country programme/refrigerant management plan	UNEP		\$60,000	\$7,800	\$67,800	
Total for Afghanistan			\$100,000	\$7,800	\$107,800	
ALGERIA						
SEVERAL						
Country programme/country survey						
Development of a country programme update	Germany		\$13,500	\$1,215	\$14,715	
Total for Algeria			\$13,500	\$1,215	\$14,715	
ARGENTINA						
FUMIGANT						
Methyl bromide						
Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds (fourth tranche)	UNDP	16.0	\$467,000	\$35,025	\$502,025	
Total for Argentina			16.0	\$467,000	\$35,025	\$502,025
BAHRAIN						
REFRIGERATION						
Preparation of project proposal						
Project preparation for a refrigerant management plan update	UNDP		\$24,000	\$1,800	\$25,800	
Total for Bahrain			\$24,000	\$1,800	\$25,800	
BARBADOS						
REFRIGERATION						
Refrigerant management plan						
Implementation of the refrigerant management plan: technical assistance project to the MAC and end-users sectors	UNDP	3.2	\$172,611	\$15,535	\$188,146	
<i>The Government would have flexibility in utilizing the resources available under the technical assistance for the MAC and end-users sectors sub project, to address specific needs that might arise during project implementation. To the extent possible, the sub project would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools. This sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar</i>						
Implementation of the refrigerant management plan: import-export licensing system and establishment of refrigeration and air-conditioning association	UNEP		\$78,000	\$10,140	\$88,140	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Implementation of the refrigerant management plan: monitoring the activities in the RMP <i>UNDP and UNEP would provide appropriate monitoring throughout project implementation</i>	UNDP		\$26,150	\$2,354	\$28,504	
	Total for Barbados	3.2	\$276,761	\$28,029	\$304,790	
BHUTAN						
REFRIGERATION						
Refrigerant management plan						
Preparation of investment component of the refrigerant management plan <i>Approved on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.</i>	UNDP		\$15,000	\$1,125	\$16,125	
SEVERAL						
Institutional strengthening						
Institutional strengthening project <i>Approved on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.</i>	UNEP		\$40,000	\$0	\$40,000	
Preparation of project proposal						
Preparation of country programme/refrigerant management plan <i>Approved on the understanding that funds would not be disbursed until the instrument of ratification had been deposited with the United Nations.</i>	UNEP		\$45,000	\$5,850	\$50,850	
	Total for Bhutan		\$100,000	\$6,975	\$106,975	
BOSNIA AND HERZEGOVINA						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase II	UNIDO		\$95,333	\$7,150	\$102,483	
	Total for Bosnia and Herzegovina		\$95,333	\$7,150	\$102,483	
BRAZIL						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase IV	UNDP		\$351,000	\$26,325	\$377,325	
	Total for Brazil		\$351,000	\$26,325	\$377,325	
BRUNEI DARUSSALAM						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase II	UNEP		\$70,000	\$0	\$70,000	
	Total for Brunei Darussalam		\$70,000		\$70,000	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CAMEROON						
REFRIGERATION						
Preparation of project proposal						
Project preparation in the refrigeration sector	UNIDO		\$25,000	\$1,875	\$26,875	
	Total for Cameroon		\$25,000	\$1,875	\$26,875	
CHINA						
AEROSOL						
Preparation of project proposal						
Project preparation for pharmaceutical aerosol	IBRD		\$135,500	\$10,163	\$145,663	
FUMIGANT						
Preparation of project proposal						
Preparation of a methyl bromide consumption phase-out plan	UNIDO		\$20,000	\$1,500	\$21,500	
PROCESS AGENT						
Process conversion						
Phase out the production and consumption of CTC for process agent and other non-identified uses (phase I): 2004 annual programme	IBRD		\$16,000,000	\$1,200,000	\$17,200,000	
<p><i>The Executive Committee took note, with appreciation, of the effort of the World Bank and the Government in developing the verification system for monitoring the implementation of the sector plans for phasing out controlled CTC production and consumption in China, and applying it for the first time to the verification of CTC production and consumption in China for 2003; requested the World Bank and China to include in the future, the verification of CTC and CFC-113 imports and exports, as per the proposed framework; and requested the Secretariat and the World Bank to examine the CTC agreement and report back to the Executive Committee on the composition of the targets.</i></p> <p><i>NOTE: The project will phase-out 6,657 ODP tonnes of CTC in the production sector</i></p>						
PRODUCTION						
TCA closure						
Strategy for gradual phase-out of 1,1,1-trichloroethane (TCA) production (first stage programme)	IBRD		\$1,400,000	\$105,000	\$1,505,000	
<p><i>Approved in accordance with the Agreement between the Government of China and the Executive Committee.</i></p> <p><i>NOTE: The project will phase-out 33.8 ODP tonnes of TCA in the production sector</i></p>						

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	
REFRIGERATION						
Multiple-subsectors						
Development of a suitable strategy for the long term management of HCFCs, in particular HCFC-22	Germany		\$300,300	\$39,039	\$339,339	
<i>Approved on an exceptional basis on the condition that, as one of the outcomes, a study would look into the effects of management of HCFCs in China and in other Article 5 countries. The Committee also noted that a schedule for the study, indicating a project duration of 21 months, had been submitted to the Multilateral Fund Secretariat. Both Germany as well as the Government of China would strive to adhere to this schedule; the Government of China intended to use relevant outcomes of the study as a basis for subsequent national action by the Government and expected that such action would take place within three years after finalization of the study.</i>						
SEVERAL						
Technical assistance/support						
Policy training for local authorities (third tranche)	UNEP	27.7	\$335,000	\$43,550	\$378,550	12.10
Total for China		27.7	\$18,190,800	\$1,399,252	\$19,590,052	
COSTA RICA						
FUMIGANT						
Methyl bromide						
Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (tranches II and III)	UNDP	130.8	\$1,938,114	\$145,359	\$2,083,473	
<i>Approved with the understanding that the Government, in accepting the second and third tranches of project funding, would reduce its national aggregate consumption to 296.10 ODP tonnes by the end of 2005. In so doing, the Government agreed that Costa Rica would not return to the Executive Committee with a possible request for re-evaluation under Decision Ex.1/2 of the First Extraordinary Meeting of the Parties, if at all, unless 130.8 ODP tonnes had been phased out by the end of 2005.</i>						
Total for Costa Rica		130.8	\$1,938,114	\$145,359	\$2,083,473	
COTE D'IVOIRE						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase III	UNEP		\$53,170	\$0	\$53,170	
<i>Approved for a one-year period and without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance.</i>						
Total for Cote D'Ivoire			\$53,170		\$53,170	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CROATIA						
HALON						
Banking						
Sectoral phase-out programme: Establishment of a halon bank	Germany		\$60,000	\$7,800	\$67,800	
<i>The Government agrees to ban the import of new halons six months after the installation of the halon equipment in accordance with the relevant guidelines and provide confirmation of the ban to the Executive Committee.</i>						
Total for Croatia			\$60,000	\$7,800	\$67,800	
CUBA						
FUMIGANT						
Preparation of project proposal						
Project preparation to eliminate methyl bromide consumption (horticulture)	UNIDO		\$30,000	\$2,250	\$32,250	
PHASE-OUT PLAN						
ODS phase out plan						
National CFC phase-out management plan: phase-out of ODS in the refrigeration and air-conditioning sector (first tranche)	Germany		\$120,000	\$15,600	\$135,600	
<i>The Executive Committee approved in principle the national phase-out management plan for Cuba at a total level of funding of US \$ 2,145,000 plus agency support costs of US\$ 256,245 for Germany, Canada, France and UNDP and the Agreement between the Government of Cuba and the Executive Committee.</i>						
National CFC phase-out management plan: phase-out of ODS in the refrigeration and air-conditioning sector (first tranche)	France		\$200,000	\$26,000	\$226,000	
<i>The Executive Committee approved in principle the national phase-out management plan for Cuba at a total level of funding of US \$ 2,145,000 plus agency support costs of US\$ 256,245 for Germany, Canada, France and UNDP and the Agreement between the Government of Cuba and the Executive Committee.</i>						
National CFC phase-out management plan: phase-out of ODS in the refrigeration and air-conditioning sector (first tranche)	Canada		\$400,000	\$52,000	\$452,000	
<i>The Executive Committee approved in principle the national phase-out management plan for Cuba at a total level of funding of US \$ 2,145,000 plus agency support costs of US\$ 256,245 for Germany, Canada, France and UNDP and the Agreement between the Government of Cuba and the Executive Committee.</i>						
Total for Cuba			\$750,000	\$95,850	\$845,850	
GHANA						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase VI	UNDP		\$139,100	\$10,433	\$149,533	
Total for Ghana			\$139,100	\$10,433	\$149,533	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
GUATEMALA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase V <i>Approved for a one-year period and without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance.</i>	UNEP		\$62,400	\$0	\$62,400	
Total for Guatemala			\$62,400		\$62,400	
GUINEA-BISSAU						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: training for customs officials, police, coast guards, border guards and commercial inspectors <i>Approval would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i>	UNEP		\$70,000	\$9,100	\$79,100	
Implementation of the RMP: training for refrigeration technicians <i>Approval would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i>	UNEP		\$70,000	\$9,100	\$79,100	
Implementation of the RMP: technical assistance project for MAC and refrigeration service and end-user sub-sectors <i>The Government would have flexibility in utilizing the resources available under this sub-project to address specific needs that might arise during project implementation. To the extent possible, the sub-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 this should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar. Also, approval would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i>	UNDP	8.8	\$282,900	\$21,218	\$304,118	
Implementation of the RMP: monitoring of the activities in the refrigerant management plan <i>UNDP and UNEP would provide appropriate monitoring throughout project implementation. Also, approval would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i>	UNEP		\$20,000	\$2,600	\$22,600	
SEVERAL						
Institutional strengthening						
Institutional strengthening project	UNEP		\$60,000	\$0	\$60,000	
Total for Guinea-Bissau		8.8	\$502,900	\$42,018	\$544,918	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HAITI						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase I (years 2 and 3)	UNEP		\$100,000	\$0	\$100,000	
	Total for Haiti		\$100,000		\$100,000	
JAMAICA						
FUMIGANT						
Preparation of project proposal						
Project preparation for the phase-out of methyl bromide	Canada		\$15,000	\$1,125	\$16,125	
	Total for Jamaica		\$15,000	\$1,125	\$16,125	
LAO, PDR						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase II	UNEP		\$57,200	\$0	\$57,200	
	Total for Lao, PDR		\$57,200		\$57,200	
MADAGASCAR						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase II	UNEP		\$60,700	\$0	\$60,700	
	Total for Madagascar		\$60,700		\$60,700	
MALAWI						
FUMIGANT						
Methyl bromide						
Phase-out of all non-essential and non-QPS methyl bromide (fourth tranche)	UNDP	29.7	\$849,824	\$63,737	\$913,561	
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: refrigeration and air-conditioning sector	Germany		\$100,000	\$13,000	\$113,000	
<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. The Government of Germany would provide appropriate monitoring throughout project implementation.</i>						
	Total for Malawi	29.7	\$949,824	\$76,737	\$1,026,561	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MALAYSIA						
FUMIGANT						
Methyl bromide						
Technical assistance programme to install alternatives and phase-out all remaining non-QPS uses of methyl bromide	UNDP	8.7	\$200,000	\$18,000	\$218,000	
<i>Approved on the understanding that the Government would phase-out all controlled uses of MB by the end of 2007 without any further assistance from the Multilateral Fund.</i>						
Total for Malaysia		8.7	\$200,000	\$18,000	\$218,000	
MALI						
REFRIGERATION						
Preparation of project proposal						
Preparation of refrigerant management plan update	UNEP		\$10,000	\$1,300	\$11,300	
Total for Mali			\$10,000	\$1,300	\$11,300	
MAURITANIA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase III	UNEP		\$33,670	\$0	\$33,670	
Total for Mauritania			\$33,670		\$33,670	
MOLDOVA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase III	UNEP		\$69,334	\$0	\$69,334	
Total for Moldova			\$69,334		\$69,334	
MONGOLIA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase II	UNEP		\$57,200	\$0	\$57,200	
Total for Mongolia			\$57,200		\$57,200	
MOROCCO						
REFRIGERATION						
Commercial						
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at the terminal umbrella group of commercial refrigeration manufacturers	UNIDO	18.4	\$359,864	\$26,990	\$386,854	19.55
<i>The Government agrees that no additional resources will be requested from the Multilateral Fund for activities related to the complete phase-out of Annex A, Group I substances. The Executive Committee agrees to provide Morocco with the flexibility in using the agreed funds consistent with operational procedures as agreed between the Government and UNIDO.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase II	UNEP		\$155,000	\$0	\$155,000	
	Total for Morocco	18.4	\$514,864	\$26,990	\$541,854	
NEPAL						
REFRIGERATION						
Preparation of project proposal						
Project preparation for a refrigerant management plan update	UNDP		\$20,000	\$1,500	\$21,500	
	Total for Nepal		\$20,000	\$1,500	\$21,500	
NIGERIA						
SOLVENT						
Multiple solvents						
Terminal ODS phase out umbrella project in the solvent sector (first tranche)	UNIDO	152.1	\$530,000	\$39,750	\$569,750	
<p><i>Approved the project in principle on the understanding that the total level of funding of the solvent sector is US \$1,575,200 and is the total funding that would be available to the Government from the Fund for the complete phase out of consumption of CTC and TCA. The Government agrees that no additional resources will be requested from the Fund or bilateral agencies for activities related to the phase-out of these substances. The Government commits itself to the phased reduction and phase-out of consumption of CTC from 166.7 ODP tonnes in 2004 to zero ODP tonnes in 2008 and of TCA from 31.3 ODP tonnes in 2004 to zero ODP tonnes in 2010 (at a minimum consistent with the Montreal Protocol's control measures for CTC and TCA). Subsequent to 2004, funding will be requested at the last meeting of the Executive Committee in 2005 (US \$317,000 plus US \$23,775 agency support), 2006 (US \$425,000 plus US \$31,875 agency support) and 2007 (US \$303,200 plus US \$22,740 agency support). The Committee agrees to provide Nigeria with flexibility in using the agreed funds consistent with operational procedures as agreed between Nigeria and UNIDO. The Government agrees to ensure accurate monitoring of the phase out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. UNIDO will be responsible for reporting annually on the implementation of activities funded under the project and providing verification to the Executive Committee annually that the CTC and TCA consumption limits in the project have been achieved according to the above schedule.</i></p>						
	Total for Nigeria	152.1	\$530,000	\$39,750	\$569,750	
PERU						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: technical assistance for the refrigeration sector	UNDP		\$123,000	\$11,070	\$134,070	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Implementation of the RMP: technical assistance for prevention of illegal CFC trade <i>The Government would have flexibility in utilizing the resources available under the technical assistance for the refrigeration sector sub-project, to address specific needs that might arise during project implementation. To the extent possible, the technical assistance for the refrigeration sector sub 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.</i>	UNEP		\$26,000	\$3,380	\$29,380	
Implementation of the RMP: monitoring programme <i>UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i>	UNEP		\$40,000	\$5,200	\$45,200	
Implementation of the RMP: refrigeration technicians certification and licensing system	UNEP		\$86,000	\$11,180	\$97,180	
	Total for Peru		\$275,000	\$30,830	\$305,830	
ROMANIA						
PHASE-OUT PLAN						
Preparation of project proposal						
Assistance to prepare a national CFC phase-out plan, servicing sector	Sweden		\$59,400	\$7,722	\$67,122	
	Total for Romania		\$59,400	\$7,722	\$67,122	
SAINT LUCIA						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase IV	UNEP		\$31,200	\$0	\$31,200	
	Total for Saint Lucia		\$31,200		\$31,200	
SERBIA AND MONTENEGRO						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche) <i>Approved in principle the phase-out plan at a total level of funding of US \$2,742,544 plus agency support costs of US \$180,204 for UNIDO and US \$44,180 for Sweden and the Agreement between the Government and the Executive Committee for the phase-out of ODSs.</i>	Sweden		\$148,000	\$19,240	\$167,240	
National CFC phase-out plan (first tranche)	UNIDO	2.0	\$474,700	\$35,603	\$510,303	
	Total for Serbia and Montenegro	2.0	\$622,700	\$54,843	\$677,543	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SRI LANKA						
PHASE-OUT PLAN						
ODS phase out plan						
National compliance action plan: incentive programme for commercial and industrial refrigeration end-users	Japan		\$144,000	\$18,720	\$162,720	
<i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>						
National compliance action plan: MAC recovery/recycling and retrofit	Japan		\$123,000	\$15,990	\$138,990	
<i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>						
National compliance action plan: recovery/recycling	Japan		\$290,400	\$37,752	\$328,152	
<i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>						
National compliance action plan: monitoring	Japan		\$108,000	\$14,040	\$122,040	
<i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>						

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/43/61
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National compliance action plan: enhancement of national capacity to monitor trade and prevent illegal trade of ODS <i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>	UNEP		\$135,000	\$17,550	\$152,550	
National compliance action plan: halon bank management <i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>	UNEP		\$40,000	\$5,200	\$45,200	
National compliance action plan: extension training of the established refrigeration technicians <i>The Government committed itself to the phased reduction and complete phase-out of consumption of ODSs used in the country; agreed that no additional resources would be requested from the Fund for activities related to the phase out of ODSs; and agreed to ensure accurate monitoring of the phase-out and to provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol, by 30 September each year. The Executive Committee agreed to provide Sri Lanka with flexibility in using the agreed funds consistent with operational procedures as agreed between Sri Lanka and the Government of Japan as the lead implementing agency.</i>	UNEP		\$174,600	\$22,698	\$197,298	
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase V	UNDP		\$134,056	\$10,054	\$144,110	
Total for Sri Lanka			\$1,149,056	\$142,004	\$1,291,060	
URUGUAY						
AEROSOL						
Contract filler						
Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) <i>The Executive Committee noted that the firm assumed the risk of conversion to new formulations and that Government of Uruguay had agreed that no additional resources would be requested from the Multilateral Fund for activities related to the phase-out of CFCs used for the manufacturing of MDIs.</i>	UNDP	10.0	\$427,023	\$32,027	\$459,050	42.70

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/43/61
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase VI	UNDP		\$150,800	\$11,310	\$162,110	
	Total for Uruguay	10.0	\$577,823	\$43,337	\$621,160	
VENEZUELA						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening: phase VII	UNDP		\$285,480	\$21,411	\$306,891	
	Total for Venezuela		\$285,480	\$21,411	\$306,891	
ZIMBABWE						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening: phase IV	UNEP	12.2	\$148,242	\$0	\$148,242	12.10
	Total for Zimbabwe	12.2	\$148,242		\$148,242	
	GRAND TOTAL	419.6	\$28,985,771	\$2,282,455	\$31,268,226	

Summary

UNEP/OzL.Pro/ExCom/43/61
Annex II

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant		\$15,000	\$1,125	\$16,125
Halon		\$60,000	\$7,800	\$67,800
Refrigeration		\$400,300	\$52,039	\$452,339
Phase-out plan		\$1,592,800	\$207,064	\$1,799,864
Several		\$13,500	\$1,215	\$14,715
TOTAL:		\$2,081,600	\$269,243	\$2,350,843
INVESTMENT PROJECT				
Aerosol	10.0	\$427,023	\$32,027	\$459,050
Fumigant	185.2	\$3,454,938	\$262,121	\$3,717,059
Process agent		\$16,000,000	\$1,200,000	\$17,200,000
Production		\$1,400,000	\$105,000	\$1,505,000
Refrigeration	30.4	\$1,354,525	\$127,867	\$1,482,392
Solvent	152.1	\$530,000	\$39,750	\$569,750
Phase-out plan	2.0	\$824,300	\$81,051	\$905,351
TOTAL:	379.7	\$23,990,786	\$1,847,816	\$25,838,602
WORK PROGRAMME AMENDMENT				
Aerosol		\$135,500	\$10,163	\$145,663
Fumigant		\$50,000	\$3,750	\$53,750
Refrigeration		\$94,000	\$7,600	\$101,600
Several	39.9	\$2,633,885	\$143,883	\$2,777,768
TOTAL:	39.9	\$2,913,385	\$165,396	\$3,078,781
Summary by Parties and Implementing Agencies				
Canada		\$415,000	\$53,125	\$468,125
France		\$200,000	\$26,000	\$226,000
Germany		\$593,800	\$76,654	\$670,454
Japan		\$665,400	\$86,502	\$751,902
Sweden		\$207,400	\$26,962	\$234,362
IBRD		\$17,535,500	\$1,315,163	\$18,850,663
UNDP	207.2	\$5,606,058	\$428,283	\$6,034,341
UNEP	39.9	\$2,227,716	\$154,648	\$2,382,364
UNIDO	172.5	\$1,534,897	\$115,118	\$1,650,015
GRAND TOTAL	419.6	\$28,985,771	\$2,282,455	\$31,268,226

**ADJUSTMENTS ARISING FROM THE 43rd MEETING OF THE EXECUTIVE
COMMITTEE FOR PROJECTS AND ACTIVITIES**

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
UNDP	617,556	80,078	697,634
UNEP	214,930	19,289	234,219
UNIDO	27,470	3,484	30,954
World Bank	100,432	5,034	105,466
Total Adjustments	960,388	107,885	1,068,273

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL
CONTRIBUTIONS BASED ON DECISIONS OF THE 43rd MEETING OF THE
EXECUTIVE COMMITTEE**

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
Canada*	415,000	53,125	468,125
France*	200,000	26,000	226,000
Germany**	593,800	76,654	670,454
Japan*	665,400	86,502	751,902
Sweden*	207,400	26,962	234,362
UNDP	4,988,502	348,205	5,336,707
UNEP	2,012,786	135,359	2,148,145
UNIDO	1,507,427	111,634	1,619,061
World Bank	17,435,068	1,310,129	18,745,197
Total Transfers	28,025,383	2,174,570	30,199,953

* To be credited against 2004 contributions.

** To be credited against 2005 contributions.

Annex III

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 43rd MEETING

Bosnia and Herzegovina

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bosnia and Herzegovina and notes with appreciation that Bosnia and Herzegovina submitted its plan of action to the Implementation Committee, as per decision XIV/21 of the Fourteenth Meeting of the Parties, with time-specific bench-marks to ensure a prompt return to compliance and that the 2003 CFC consumption level reported to the Ozone Secretariat is below the agreed benchmark. As such, the Executive Committee notes that within the framework of the institutional strengthening project, Bosnia and Herzegovina has taken significant steps to phase out its ODS consumption. Specifically, intensifying its awareness activities; organizing seminars for stakeholders; initiating the development of a system for information collection and monitoring of ODS consumption; and drafting of related environmental legislation. The Executive Committee greatly supports the efforts of Bosnia and Herzegovina to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Bosnia and Herzegovina 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.”

Brazil

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Brazil and notes with appreciation that Brazil reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Brazil therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Brazil has taken significant steps to phase out its ODS consumption. Specifically, the development and approval of the national CFC phase-out plan, the development and implementation of an awareness campaign and the planning and organization of training workshops for refrigeration technicians and customs officers. The Executive Committee greatly supports the efforts of Brazil to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Brazil will continue with the implementation of its country programme and activities under the national CFC phase-out plan with outstanding success in the reduction of current CFC consumption levels.

Brunei Darussalam

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Brunei Darussalam and notes with appreciation that Brunei Darussalam reported data to the Ozone Secretariat that was lower than its 1995-1997

average CFC compliance baseline. Brunei Darussalam therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Brunei Darussalam has taken significant steps to phase out its ODS consumption. Specifically, the formulation and implementation of an ODS monitoring and control system; the planning and organization of training workshops for refrigeration technicians and customs officers and the continuation of awareness raising activities among the stakeholders and the general public. The Executive Committee greatly supports the efforts of Brunei Darussalam to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Brunei Darussalam 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.

Cote d'Ivoire

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Cote d'Ivoire and notes with concern that the consumption level of methyl bromide reported to the Ozone Secretariat is higher than its 1998-2000 average methyl bromide compliance baseline. Despite this, the Executive Committee also notes that within the framework of the institutional strengthening project, Cote d'Ivoire has taken significant steps to phase out its ODS consumption. Specifically, developing legislation to improve monitoring and control of ODS consumption; organizing training workshops for customs officers; conducting awareness activities. The Executive Committee greatly supports the efforts of Cote d'Ivoire to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next year, Cote d'Ivoire will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.

Ghana

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Ghana and notes with appreciation that Ghana reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Ghana therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Ghana has taken significant steps to phase out its ODS consumption. Specifically, training on the identification of different CFCs and their sources; visits to factories in the foam sector to enhance workers safety, development and implementation of seminars for students and instructors in public and private institutions; and issuing of public notices on the introduction of the quota system. The Executive Committee greatly supports the efforts of Ghana to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Ghana 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.

Guatemala

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Guatemala and notes with concern that the consumption level of methyl bromide reported to the Ozone Secretariat is higher than its target specified in the action plan for Guatemala adopted by the Parties in Decision XV/34 and the agreed targets established for Guatemala by the Executive Committee in Decision 42/14. Despite this, the Executive Committee notes that within the framework of the institutional strengthening project, Guatemala has taken significant steps to phase out its ODS consumption. Specifically, enforcing an import licensing system; pursuing implementation of the methyl bromide phase-out project and increasing awareness of the provisions of the Montreal Protocol through presentations to senior government authorities. The Executive Committee greatly supports the efforts of Guatemala to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next year, Guatemala will continue with the implementation of its country programme and refrigerant management plan and methyl bromide activities with outstanding success in the reduction of current ODS consumption levels.

Haiti

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Haiti and notes with appreciation that Haiti reported data to the Ozone Secretariat that was lower than its CFC compliance baseline reported in 2002. Haiti therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Haiti has taken significant steps to phase out its ODS consumption. Specifically, the reporting of outstanding data to the Fund and Ozone Secretariats, the preparation of its country programme and of the RMP, enhancing the awareness of the refrigeration and air-conditioning sector about ODS and the availability of substitutes for CFCs. The Executive Committee greatly supports the efforts of Haiti to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Haiti will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.

Lao People's Democratic Republic

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Lao PDR and notes with appreciation that Lao PDR reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Lao PDR therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Lao PDR has taken significant steps to phase out its ODS consumption. Specifically, formulating and implementing ODS regulations, preparing an import-export licensing system and conducting awareness activities for local and provincial offices on ozone protection. The Executive Committee greatly supports the efforts of Lao PDR to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Lao PDR 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.

Madagascar

9. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Madagascar and notes with appreciation that Madagascar reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Madagascar therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Madagascar has taken significant steps to phase out its ODS consumption. Specifically, improving existing legislation to control ODS, organizing training workshops for customs officers and refrigeration technicians and promoting recovery and recycling of ODS and continuing awareness-raising activities. The Executive Committee greatly supports the efforts of Madagascar to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Madagascar 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.

Mauritania

10. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Mauritania and notes with appreciation that Mauritania reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Mauritania therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Mauritania has taken significant steps to phase out its ODS consumption. Specifically, the improvement of the data collection system; the establishment of the National Center for Refrigeration; the organization of refrigeration and customs training workshops and the preparatory work towards ratification of amendments to the Montreal Protocol. The Executive Committee greatly supports the efforts of Mauritania to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Mauritania 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.

Moldova

11. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Moldova and notes with appreciation that Moldova reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Moldova therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Moldova has taken significant steps to phase out its ODS consumption. Specifically, the monitoring of imports of ODS; improvements to data gathering and maintenance of its database; enhancing legal measures to improve the effectiveness of the

import/export licensing system; and continuing its ozone awareness activities. The Executive Committee greatly supports the efforts of Moldova to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Moldova 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.

Mongolia

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Mongolia and notes with appreciation that Mongolia reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Mongolia therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Mongolia has taken significant steps to phase out its ODS consumption. Specifically, monitoring imports and trade in ODS and ODS-based equipment and enforcing regulatory controls; limiting the entry ports for ODS and ODS-containing equipment to facilitate stricter control of ODS imports; improving the collection and reporting of consumption data; and continuing its awareness activities. The Executive Committee greatly supports the efforts of Mongolia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Mongolia 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.

Morocco

13. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Morocco and notes with appreciation that Morocco has reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Morocco therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Morocco has taken significant steps to phase out its ODS consumption. Specifically, finalizing and implementing an import licensing system; organizing seminars for stakeholders; and continuing its awareness activities. The Executive Committee greatly supports the efforts of Morocco to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Morocco will continue with the implementation of the activities in its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Saint Lucia

14. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Saint Lucia and notes with appreciation that Saint Lucia reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Saint Lucia therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Saint Lucia has taken significant steps to phase out its ODS

consumption. Specifically, imposing quotas on ODS importers and amending existing legislation to improve monitoring and control of ODS; organizing training workshops for refrigeration technicians and customs officers; continuing awareness activities targeting industrial and commercial sectors and pursuing information exchange with network countries. The Executive Committee greatly supports the efforts of Saint Lucia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Saint Lucia 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.

Sri Lanka

15. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Sri Lanka and notes with appreciation that Sri Lanka reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Sri Lanka, therefore, appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Sri Lanka has taken significant steps to phase out its ODS consumption. Specifically, moving forward with implementation of the methyl bromide phase-out projects, organizing training workshops for refrigeration technicians and customs officers in order to assist industry to comply with the phase-out targets for CFCs; controlling imports of CFCs and CFC-based equipment through a licensing system and preparing a national plan to addressing the remaining CFC consumption in Sri Lanka. The Executive Committee greatly supports the efforts of Sri Lanka to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Sri Lanka will continue with the implementation of its country programme and national phase-out plan activities with outstanding success in the reduction of current ODS consumption levels.

Uruguay

16. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Uruguay and notes with appreciation Uruguay's plan of action to ensure a prompt return to compliance with the control measures for the methyl bromide as per Decision XV/44 of the Fifteenth Meeting of the Parties to the Montreal Protocol. At the same time, the Executive Committee notes that within the framework of the institutional strengthening project, Uruguay has taken significant steps to phase out its ODS consumption. Specifically, complying with the methyl bromide consumption limit for 2003 in the plan of action, taking significant steps towards a more complete legal framework, developing new initiatives such as the MDI transition strategy and implementing its RMP. The Executive Committee greatly supports the efforts of Uruguay to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Uruguay will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.

Venezuela

17. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Venezuela and notes with appreciation the fact that Venezuela reported 2002 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Venezuela continues to comply with the CFC consumption freeze. The Executive Committee also notes that within the framework of the institutional strengthening project, Venezuela has taken significant steps to phase out its CFC consumption. Specifically, the preparation of a national CFC phase-out plan and the implementation of the foam sector plan and projects in the refrigeration and halon sector, which resulted last year in the recovery of 3.4 tonnes of refrigerants and 1.5 tonnes of halons. The Executive Committee also notes that Venezuela has completed the first phase of its customs training programme and is continuing its public awareness campaigns. The Executive Committee greatly supports the efforts of Venezuela to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Venezuela will continue with the implementation of its country programme and national CFC phase-out plan activities with outstanding success in the reduction of current CFC consumption levels.

Zimbabwe

18. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Zimbabwe and notes with appreciation that Zimbabwe reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Zimbabwe therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Zimbabwe has taken significant steps to phase out its ODS consumption. Specifically, the preparation for ratification of the Montreal and Beijing amendments to the Montreal Protocol; preparation of a decree on ODS regulations; establishment of the National Centre for Refrigeration; the organization of refrigeration and customs training workshops and ozone awareness activities. The Executive Committee greatly supports the efforts of Zimbabwe to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Zimbabwe 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 IV

AGREEMENT BETWEEN CUBA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL PHASE-OUT OF ANNEX A (GROUP I) AND ANNEX B (GROUP II) SUBSTANCES

1. This Agreement represents the understanding of Cuba (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (“The Substances”) prior to 2010 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 rows 1 and 5 of Appendix 2-A (“The Targets, and Funding”) 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 17 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“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 Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval 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 (“Format for 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 (“Monitoring Institutions and Roles”) 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 technician-licensing programme for the refrigeration and air conditioning 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 fulfill the obligations under this Agreement. Germany under the mandate of the Multilateral Fund has agreed to be the lead implementing agency (“Lead IA”) in respect of the Country’s activities under this Agreement regulations. The Lead IA under the mandate of the Multilateral Fund will be responsible for carrying out the activities listed in Appendix 6-A (“Role of the Lead Implementing Agency”) 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 and the Cooperating IAs with the fees set out in rows 10, 12, 14 and 16 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances identified in Appendix 1-A 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 Approval Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next installment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by

the amounts set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) 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 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.

APPENDIX 1-A: THE SUBSTANCES

Annex A	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
Annex B	Group II	CTC

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)	491	312	195	150	93	0	0	
2. Reduction from ongoing projects	0	65	72					137.0
3. New reduction under plan	0	129	45	45	57	85.5		361.5
4. Total annual reduction Annex A Group I substances (ODP tonnes)	0	194	117	45	57	85.5	0	498.5
5. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	2.7	0.4	0.4	0.4	0.4	0.4	0	
6. Reduction from ongoing projects								
7. New reduction under plan			0.1					0.1
8. Total annual reduction of Annex B Group II substances (ODP tonnes)			0.1					0.1
9. Lead IA agreed funding (Germany) (US \$)	120,000	116,000	100,000	80,000	70,000	50,000	0	536,000
10. Lead IA support costs (Germany) (US \$)	15,600	15,080	13,000	10,400	9,100	6,500	0	69,680

	2004	2005	2006	2007	2008	2009	2010	Total
11. Cooperating IA agreed funding (France) (US \$)	200,000	200,000	200,000	100,000	36,000	0	0	736,000
12. Cooperating IA support costs (France) (US \$)	26,000	26,000	26,000	13,000	4,680	0	0	95,680
13. Cooperating IA agreed funding (Canada) (US \$)	400,000	62,000	0	0	0	0	0	462,000
14. Cooperating IA support costs (Canada) (US \$)	52,000	8,060	0	0	0	0	0	60,060
15. Cooperating IA agreed funding (UNDP) (US \$)	0	250,000	161,000	0	0	0	0	411,000
16. Cooperating IA support costs (UNDP) (US \$)	0	18,750	12,075	0	0	0	0	30,825
17. Total agreed funding (US \$)	720,000	628,000	461,000	180,000	106,000	50,000	0	2,145,000
18. Total agency support costs (US \$)	93,600	67,890	51,075	23,400	13,780	6,500	0	256,245
19. Total agreed costs (US \$)	813,600	695,890	512,075	203,400	119,780	56,500	0	2,401,245

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first (exception this first annual programme) meeting of the year of the annual plan.

APPENDIX 4-A: FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

This format is proposed for use by the Article 5 country to prepare the annual implementation programme for the implementation of performance-based ODS phase-out plans; however, it should be modified to suit the specific needs of each plan.

1. **Data**

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

2. **Targets**

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
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

Institution involved	Role	Responsibility type and frequency of reporting	Evaluation
CITMA, Ozone Office	Overall monitoring	Meetings with IA Meeting reports, MoU	by Germany
Germany (Proklima)	IA	Expenditure Report Quarterly Report	by Germany
Germany (Proklima)	IA	Progress report (annual) Quarterly Report	by Ozone Office

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA under the mandate of the Multilateral Fund 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 Programme are reflected in future Annual Implementation Programmes;
- (e) Reporting 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 independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances have been eliminated in accordance with the Targets;
- (j) Coordinate the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B: ROLES OF COOPERATING IMPLEMENTING AGENCIES

1. In 2004 Germany under the mandate of the Multilateral Fund will begin with the implementation of the TPMP. France and Canada will start their activities in 2004 and UNDP in 2005. Germany as Lead IA will negotiate the contribution of each 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 \$11,860 per ODP tonne of reductions in consumption not achieved in the year.

Annex V

AGREEMENT BETWEEN SERBIA AND MONTENEGRO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE NATIONAL PHASE-OUT OF ANNEX A (GROUP I) SUBSTANCES

1. This Agreement represents the understanding of Serbia and Montenegro (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 2010, 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 Appendix 2-A as Maximum Allowable Total Consumption of CFCs (“The Targets, and Funding”) 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 N° 9 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“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 Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval 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; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for 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 (“Monitoring Institutions and Roles”) 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 particular the servicing sector:

- (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 reuse programme for the refrigeration service sector would be implemented in stages so that remaining resources can be diverted to other phase-out 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 Chapter 10 in the project document

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 has agreed to be the lead implementing agency (“Lead IA”) and Sweden (“Co-operating IA”) has agreed to be a co-operating 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 Co-operating 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 Co-operating IA with the fees set out in rows N° 6 and N° 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 Approval Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval 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 Approval 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 amount exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) 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 and the Co-operating IA to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA and the Co-operating 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.

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	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	849.2	424.6	424.6	127.38	127.38	
1. Max allowable total consumption of CFCs* (ODP tonnes)	410	392	268	125	85	
2. Reduction from on-going projects (ODP tonnes)	0	0	0	0	0	0
3. New reduction under plan (ODP tonnes)	2	18	124	143	40	327
4. Total annual reduction (ODP tonnes)	2	18	124	143	40	327
5. Lead IA agreed funding (US \$)	474,700	759,000	975,500	123,500	70,000	2,402,700
6. Lead IA support costs (US \$)	35,603	56,925	73,163	9,263	5,250	180,204
7. Co-operating IA agreed funding (US\$)	148,000	134,000	57,844	0	0	339,844
8. Co-operating IA support costs (US\$)	19,240	17,420	7,520	0	0	44,180
9. Total agreed funding (US \$)	622,700	893,000	1,033,344	123,500	70,000	2,742,544
10. Total agency support costs (US \$)	54,843	74,345	80,683	9,263	5,250	224,384
11. Total agreed grant for tranche (US\$)	677,543	967,345	1,114,027	132,763	75,250	2,966,928

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. In order to assist the Country in establishing its implementation structure within the country, achievement of the 2005 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Appendix 2-A, the Executive Committee decides at its 43rd Meeting to provide US \$622,700 plus US \$54,843 in agency support costs to Serbia and Montenegro.

2. Funding other than the payments in 2004, will be considered for approval at the first meeting of the year of the annual implementation plan.

APPENDIX 4- FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

This format is proposed for use by the Article 5 country to prepare the annual implementation programme for the implementation of performance-based ODS phase-out plans; however, it should be modified to suit the specific needs of each plan.

1. **Data**

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

2. **Targets**

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
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. The National Ozone Unit 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 Serbia and Montenegro.
3. After the establishment of the countrywide scheme of refrigerant recovery and reuse, 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 reuse centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and reuse scheme. This may be enabled through forms to be filled by reuse 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, reuse centres.
5. Information regarding CFC quantity and cost information will have to be supplied by the reuse centres and substantive size service workshops.
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 range of activities specified in the project document as follows:

- (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 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; and
- (k) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B ROLE OF THE CO-OPERATING IMPLEMENTING AGENCY

1. The Government of Sweden, as co-implementing agency, will be:
 - (a) Assisting the Country in the implementation and verification of the activities funded by the Swedish bilateral quota during 2004-2006 as specified in rows N° 7 and N° 8 of Appendix 2-A.
 - (b) Ensuring that disbursements are made to the Country in a timely and effective manner;

- (c) Reporting to the Lead Agency on these activities and
- (d) Providing assistance relating to the service sector when required and within the funds available.

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 \$13,300 per ODP tonne of reductions in consumption not achieved in the year.

Annex VI

AGREEMENT BETWEEN THE PEOPLE'S REPUBLIC OF CHINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF THE PRODUCTION OF TCA IN CHINA

1. This Agreement represents the understanding of the People's Republic of China (hereinafter the "Country") and the Executive Committee with respect to the complete phase-out of production of the ozone-depleting substance (TCA) set out in Appendix 1-A ("The Substance") prior to 1 January 2010.
2. The Country agrees to phase out the production of the Substance in accordance with the annual phase-out targets set out in row N° 1 of Appendix 2-A ("The Targets, and Funding") of this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20 (a) of the Executive Committee. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect of the phase-out of production of the Substance.
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 N° 5 of Appendix 2-A ("The Targets, and Funding") to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A ("Funding Approval Schedule").
4. The Country will meet the production limits for TCA as indicated in row N° 2 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these production limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 8; and
 - (c) That the Country has substantially completed all actions set out in the 2004-2008 Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for the 2004-2008 implementation programme in the form of Appendix 4-A 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 (“Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances in order 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. 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 World Bank has agreed to be the implementing agency (“Lead IA”). 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 N° 6 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Approval 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 production not achieved in any one year.

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

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

12. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and 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 SUBSTANCE

Annex B:	Group III	TCA
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APPENDIX 2-A. THE TARGETS, AND FUNDING

	Baseline	2004	2005	2006	2007	2008	2009	2010-2014
Montreal Protocol Reduction Schedules	113	113	79	79	79	79	79	34
1. Max allowable total production of TCA (in ODP tonnes) under this agreement	113	113	79	79	79	79	79	0
2. New reduction under this agreement	0	0	34	0	0	0	0	79
3. Impact of previously approved projects	0	0	0	0	0	0	0	0
4. Total annual reduction of the substance (ODP tonnes)	0	0	34	0	0	0	0	79
5. Agreed MLF funding for the country		1.4	0	0	0	0.7	0	0
6. IA support costs		0.105	0	0	0	0.0525	0	0

Rows N° 1, N° 2, N° 3 and N° 4 are in ODP tonnes. Rows N° 5 and N° 6 are in USD million.

APPENDIX 3-A. FUNDING APPROVAL SCHEDULE

1. Funding will be released in two tranches:
 - (a) The first tranche will be released upon approval of the TCA production phase-out sector plan; and
 - (b) The second tranche will be released at the last meeting in 2008 upon submission of the implementation programme for 2009 and beyond.

APPENDIX 4-A. FORM OF THE IMPLEMENTATION PROGRAMME

1. The implementation programme for 2004 to 2008 was submitted with the sector plan.

APPENDIX 5-A. MONITORING INSTITUTIONS AND ROLES

1. Production of TCA will be monitored consistent with the principles established for CFC, CTC and halon production. The World Bank will conduct annual verification of the production.

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 implementation programme
 - (c) Assisting the Country in preparation of the Implementation Programme;
 - (d) Ensuring that achievements in previous Implementation Programmes are reflected in future Implementation Programmes;

- (e) Annual reporting on the implementation of the 2004-2008 Implementation Programme;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that production 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 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US\$ 1,000 per metric tonnes TCA (ODS) of reductions in production not achieved in the year.
