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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-fourth Meeting  
Prague, 29 November-3 December 2004

**Corrigendum**

**REPORT OF THE FORTY-FOURTH MEETING OF THE  
EXECUTIVE COMMITTEE**

In paragraph 177(b), replace Annex XVII with Annex XII.

In paragraph 180(b), replace Annex XVIII with Annex XIII.

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THE MULTILATERAL FUND FOR THE  
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**REPORT OF THE FORTY-FOURTH MEETING OF THE  
EXECUTIVE COMMITTEE**

Introduction

1. The 44th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the Hilton Hotel, Prague (Czech Republic), from 29 November to 3 December 2004.
2. In accordance with decision XV/46 of the Fifteenth Meeting of the Parties to the Montreal Protocol, the Meeting was attended by representatives of the following country members of the Executive Committee,
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Vice-Chair), Belgium, Canada, Hungary, Japan, the United Kingdom of Great Britain and Northern Ireland, and the United States of America;
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Argentina (Chair), Bangladesh, China, Cuba, the Islamic Republic of Iran, Mauritius and Niger.
3. In accordance with the decisions taken by the Executive Committee at its 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. Representatives of the Ozone Secretariat were also present.

5. The Meeting was attended by representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, and Qinhuangdao Leading Science and Technology Development Co. Ltd. as observers.

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

6. The Meeting was opened at 10 a.m. on Monday, 29 November 2004, by the Chair, Ms. Marcia Levaggi (Argentina), who welcomed participants to Prague, saying that yet another milestone for the Montreal Protocol and the Multilateral Fund was fast approaching in respect of the targets for CFC, halon, CTC, TCA and methyl bromide reductions by Article 5 countries set for 2005. Global figures for consumption of the various ODS showed that, overall, those targets were likely to be met. However, increased efforts might be required to ensure that some countries received the assistance needed to meet their control obligations and that projects were implemented in a timely manner.

7. One of the major items on the agenda before the Meeting was the issue of verifying consumption limits and phase-out in a number of multi-year phase-out projects for which new funding tranches had been submitted, and defining the criteria for such verification. Given the large amount of funding approved in principle under multi-year agreements, it was important to make sure that countries and agencies understood their obligation to confirm the phase-out performance to be achieved under such agreements.

8. Documents containing the latest review of the status of implementation of 2004 business plans, the Secretariat's report on Article 5 countries' prospects for compliance, and the model rolling three-year business plan for 2005-2007 were before the Meeting for consideration. All three documents would provide an overview of urgent and outstanding issues requiring actions to enable the 2005 and 2007 control measures to be met, and guidance for addressing them. Reports on the evaluation of halon banking projects, the desk study on training for customs officers and licensing system projects, and the proposed monitoring and evaluation work programme for 2005 also had to be considered.

9. In addition, members would be asked to consider the operations of the Executive Committee itself, and whether it was practical and desirable for the Executive Committee to meet only twice a year. Other administrative issues on the agenda included the accounts of the Multilateral Fund, the budget of the Fund Secretariat and the treatment of promissory notes.

### **AGENDA ITEM 2: ORGANIZATIONAL MATTERS**

#### **(a) Adoption of the agenda**

10. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/44/1/Rev.1:

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 (follow-up to decision 42/3 (d) and (e));
  - (c) Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol (follow-up to decision 43/4);
  - (d) Model rolling three-year phase-out plan: 2005-2007 (decisions 38/66 (f) and 42/4 (d));
  - (e) Qualitative performance indicators (decision 42/5 (b) and (c));
  - (f) Review of the administrative cost regime and its core unit funding budget (follow-up to decision 41/94 (d)).
6. Programme implementation:
  - (a) Final evaluation report on halon banking projects for countries with low volumes of installed capacities;
  - (b) 2004 consolidated project completion report;
  - (c) Desk study on the evaluation of customs officers training and licensing system projects;
  - (d) Draft monitoring and evaluation work programme for the year 2005;
  - (e) Project implementation delays;
  - (f) Report on implementation of approved projects with specific reporting requirements.
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) Compliance Assistance Programme (CAP) budget (follow-up to decision 41/38 (c)) and work programme for UNEP for the year 2005;
  - (e) Investment projects.
8. Country programmes.
  9. Accounts of the Multilateral Fund:
    - (a) 2003 accounts;
    - (b) Reconciliation of the 2002 and 2003 accounts (follow-up to decision 43/39).
  10. Revised 2005, 2006, and proposed 2007 budgets of the Fund Secretariat.
  11. Treatment/encashment of promissory notes (follow-up to decisions 41/4 and 42/44).
  12. Report on operation of the Executive Committee without Sub-Committees and potential for an intersessional approval procedure (follow-up to decisions 41/92 and 43/3 (c)).
  13. Criteria for the assessment of the progress reports and verification audits of multi-year agreements (follow-up to decision 43/38).
  14. Annual progress report on the communication strategy for global compliance with the Montreal Protocol (follow-up to decision 41/99 (c)).
  15. Report of the Executive Committee's Subgroup on the Production Sector.
  16. Other matters.
  17. Adoption of the report.
  18. Closure of the meeting.

**(b) Organization of work**

11. The Executive Committee agreed to follow its customary procedure.
12. The Subgroup on the Production Sector composed of Bangladesh, Canada (facilitator), China, Cuba, Japan, Mauritius, United Kingdom of Great Britain and Northern Ireland, and the United States of America met in the margins of the 44th Meeting.
13. During the adoption of the agenda, Executive Committee members agreed to add the following items to be discussed under agenda item 16, Other Matters: evaluation and review of the financial mechanism of the Montreal Protocol in accordance with the decision taken at the Sixteenth Meeting of the Parties; matters arising out of the decisions of the Sixteenth Meeting of the Parties to the Montreal Protocol; a review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances; the situation of Grenada's National Ozone Unit following the destruction by Hurricane Ivan of 90 per cent of the country's infrastructure; a proposal by China on enhancing capacity-building in the National Ozone Units of Article 5 countries in the final stages of the Montreal Protocol compliance period; an item on process agents presented in document UNEP/OzL.Pro/ExCom/44/Inf.2; and the transfer to UNIDO of a project approved by the Executive Committee as a bilateral project for Canada.

**AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

14. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/44/2, which described the activities of the Secretariat since the 43rd Meeting. Highlighting certain items in the report, she indicated that the Secretariat had prepared a total of 22 documents (excluding projects) for the current Meeting and that she and/or other members of the Secretariat had attended several meetings, including the Compliance Assistance Programme Advisory Group meeting and the Global Environment Facility Council.
15. She reported that, together with the Chair and Vice-Chair of the Executive Committee, she had also attended meetings in China and had joined the Chinese Government in the celebrations for International Ozone Day, followed by a visit to Thailand, where meetings were held with senior officials from the Departments of Industry and Works and Agriculture.
16. During the ensuing discussion, one representative explained that problems had been encountered during the implementation of certain projects in his country, in particular in relation to the auditing of annual accounts of small and medium enterprises. He suggested that the Secretariat look into ways of resolving such problems and, in general, provide more help to countries operating under Article 5 in their efforts to implement the Protocol.

17. Another representative said that it was not only countries operating under Article 5 that would welcome the opportunity to discuss ozone-related matters with the Secretariat. He suggested that during future trips to his region, the Chief Officer and the Chair and Vice-Chair of the Executive Committee might also visit his country.

18. In response to a question about participation at the coordination meeting held by the Secretariat with implementing agencies in October 2004, the Chief Officer clarified that the Secretariat did indeed endeavour to invite all bilateral agencies to inter-agency coordination meetings, but that notification of the meetings could not always be given far in advance as they were usually convened to discuss specific matters arising from project evaluation, business plans or preparations for the next Executive Committee meeting. Several representatives agreed that holding inter-agency coordination meetings back-to-back with Executive Committee meetings where possible would enable greater participation and reduce costs.

19. Several representatives also advocated representation of the Executive Committee or the Fund Secretariat at regional network meetings, which were deemed extremely important for information sharing and for obtaining clarification regarding the implementation of decisions.

20. It was also suggested that, in future, there be more of a balance within the Fund Secretariat between staff from countries operating under Article 5 and those not operating under Article 5 of the Protocol.

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

#### **AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS**

22. The Treasurer introduced the report on the status of the Fund as at 23 November 2004 (UNEP/OzL.Pro/ExCom/44/3/Rev.1).

23. Income, comprising cash payments, promissory notes, bilateral cooperation credits, interest earned and miscellaneous income, stood at US \$1,874,194,694, while allocations to implementing agencies and provisions amounted to US \$1,785,378,975, leaving an available balance of US \$88,815,718.

24. A total of 28 Parties had made their annual contributions in either cash or promissory notes, representing 71 per cent of payments against 2004 pledges. For the entire period 1991-2004, payments against pledges stood at 91 per cent.

25. Use of the fixed-exchange-rate-mechanism (FERM) had further reduced the loss to the Fund to US \$3,657,431. Given the foreseen decline in the United States of America currency, an additional reduction could be anticipated.

26. The Treasurer noted that, as in the past, invoices had been submitted to the Parties twice a year. He recalled previous decisions of the Parties supporting timely payment of contributions and of the practice of indicating clearly, either in banking deposit information or under separate cover to him, the exact amounts and the currency used in making payments to the Fund.

27. One representative requested clarification of the amounts listed under “Bilateral assistance” in the tables in the Treasurer’s report. Member States that made contributions in cash understood that up to 20 per cent could be allocated for bilateral cooperation; however, the exact amounts to be offset depended on approved projects under the bilateral assistance programmes. Certain Member States withheld that part of their contribution, paying it only when the exact amount required was known. Those amounts therefore corresponded to expenditures. Another representative, supported by the Treasurer, explained that the amount required for a particular project was deducted from a Member State’s contribution, and that amount was then recorded as a credit for that State. The column for bilateral assistance was needed otherwise the relevant State would be recorded as having a deficit. The Treasurer added that any amounts approved for bilateral assistance that were not expected to be expended fully were either returned to the country and used for future allocation of the bilateral assistance of that country or used as cash contribution against the country’s pledge in a given year..

28. In response to comments by several representatives that outstanding contributions amounted to some US \$45 million, or about 30 per cent of the total funding volume, the Treasurer said that additional payments were to be expected before the end of 2004. Overpayments did not compensate for outstanding contributions, but credits resulting from FERM were absorbed by the Fund.

29. In response to the query of one member, the Chief Officer reported that representatives of the Russian Federation had indicated that the delay in decisions regarding the payment of contributions to the Fund was due to reorganization of ministerial responsibilities within the Government, as a consequence of which the Ozone Unit had not yet been allocated permanently to any one department.

30. The Executive Committee decided:

(a) To note:

- (i) With appreciation the report of the Treasurer, including the tables showing the updated status of the Fund as at 29 November 2004 reproduced in Annex I to the present report;
- (ii) The information provided by the Secretariat concerning the contributions from the Russian Federation and accordingly to request the Secretariat to communicate with the Government of the Russian Federation on the issue of their contributions; and

- (b) To provide copies of the decision of the most recent Meeting of the Parties relating to outstanding contributions to those Parties that had never paid their contributions to the Multilateral Fund or had done so at an amount inferior to one annual contribution.

**(Decision 44/1)**

## **AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING**

### **(a) Balances report and availability of resources**

31. The Executive Committee considered the report on balances, the availability of resources, and the return of funds from cancelled projects (UNEP/OzL.Pro/ExCom/44/4), which was presented by the Secretariat. Taking into account the revised status of contributions presented in document UNEP/OzL.Pro/ExCom/44/3/Rev.1, the total sum available for approvals at the 44th Meeting could be increased to US \$89.3 million, which was expected to be sufficient to cover all the requests for funding to be discussed at the 44th Meeting. The representative of the Secretariat also drew Members' attention to the fact that the level of funds being held for projects completed over two years previously was the lowest yet since the Multilateral Fund began monitoring those balances.

32. Responding to questions by representatives regarding obligated and unobligated balances, for which the report presented justification for only a portion of the outstanding amounts, the representative of the Secretariat explained that the report contained all the information provided by the implementing agencies. He did however clarify that, for the most part, unobligated balances corresponded to projects that had not yet reached financial completion. Obligated balances, which were expected to be spent and not returned to the Multilateral Fund, were mostly linked to multi-year projects. In light of the concerns raised by members, agencies would be requested to report more exhaustively on the matter.

33. Clarification was requested regarding interest accrued on the amount allocated for a bilateral project that was to have been implemented by Belgium, with UNDP as its executing agency. The project had subsequently been cancelled, and the interest was being returned as additional income for the Fund. The representative of the Secretariat explained that, upon transfer of the project, Belgium had made a cash transfer to UNDP, which the implementing agency had placed in an interest-bearing account and that, based on their agreement, the interest should be returned to the Fund.

34. Representatives of the implementing agencies also provided clarification in relation to specific aspects of their outstanding balances.

35. Following the discussion, the Executive Committee decided to note:

- (a) The report on project balances contained in document UNEP/OzL.Pro/ExCom/44/4;

- (b) The net level of funds being returned to the 44th Meeting against project balances totalling US \$443,103, including a reimbursement of US \$79,548 to UNDP to account for the funds previously returned in error for 18 projects and the return of US \$286,351 from UNEP; US \$180,729 from UNIDO; and US \$55,571 from the World Bank;
- (c) The net level of support costs being returned to the 44th Meeting against project support cost balances totalling US \$47,023, including a reimbursement of US \$10,378 to UNDP to account for the support costs for the funds previously returned in error for 18 projects and the return of US \$28,383 from UNEP; US \$21,848 from UNIDO; and US \$7,170 from the World Bank;
- (d) That implementing agencies had balances totalling US \$53,019, excluding support costs, from projects completed over two years previously: UNDP--US \$47,701 plus support costs; and UNEP--US \$5,318 plus support costs, and that the level of balances from such projects was the lowest amount achieved since such balances began to be monitored by the Executive Committee at its 28th Meeting;
- (e) The return of funds from UNDP of US \$116,264, including support costs and interest income, on behalf of Belgium for the cancelled Quimica Andina foam project in Bolivia (BOL/FOA/28/INV/10), and that the Treasurer would adjust Belgium's bilateral contributions and cash contributions accordingly, with the interest to be credited as interest collected on Fund balances instead of additional contributions from Belgium;
- (f) That US \$15,344 should be offset against approvals for the Government of Germany for the return of the following amounts, as indicated by project: US \$6,900 for the technical assistance project on promoting compliance with the Montreal Protocol in Croatia and Romania (EUR/SEV/28/TAS/01); US \$8,197 for the training project in the refrigeration sector in Lebanon (LEB/REF/26/TRA/25); US \$3 for the technical assistance project on remaining issues for a refrigerant management plan in Lebanon (LEB/REF/28/TAS/31); and US \$244 for the recovery and recycling project in the refrigeration servicing sector in Namibia (NAM/REF/24/TAS/05); and
- (g) That US \$89.3 million was available to the Executive Committee for approvals at the 44th Meeting.

**(Decision 44/2)**

**(b) 2004 business plans (follow-up to decision 42/3 (d) and (e))**

36. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/44/5 and Add.1, which reviewed the status of implementation of the 2004 business plans in the light of submissions to the 44th Meeting and previous approvals at the 42nd and 43rd Meetings. It also addressed the need for a window to accelerate phase-out and maintain momentum as requested in decision 42/3.

37. It was pointed out that, according to the document, there was currently no need for a special funding window as sufficient funds appeared to be available to accommodate additional projects for accelerating phase-out. Several representatives underlined the importance of providing funds to enable compliance as well as accelerating phase-out and maintaining momentum, however, given the importance of the issue, several representatives wished to consider such a window again at future meetings. One representative suggested that the Secretariat might analyse the procedure for ranking submissions under a special funding window, if needed, and make proposals to the 45th Meeting, taking into account Annex XVII to the report of the 41st Meeting (UNEP/OzL.Pro/ExCom/41/87).

38. Following a 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/44/5 and Add.1 and the submission of priority projects as requested in decision 43/3 (c) (iii); and
- (b) Having agreed that the need for a special funding window for accelerated phase-out and maintaining momentum would have to be based on the availability of funds remaining after considering the funding required for projects to meet compliance needs that would be contained in the 2005 business plans of bilateral and implementing agencies, to consider the need for a funding window for accelerating phase-out and maintaining momentum in the context of the 2005 business plans to be submitted to the 45th Meeting.

**(Decision 44/3)**

**(c) Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol (follow-up to decision 43/4)**

39. 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/44/6 and Corr.1) presented by the Secretariat. The document contained three parts:

- (a) Part I, which had been prepared in response to decision 32/76 (b), contained an analysis of the status of compliance for CFCs, halons, methyl bromide, carbon tetrachloride (CTC) and methyl chloroform (TCA);

- (b) Part II contained an update by country of the status of implementation of ongoing projects for all Article 5 countries that had been found to be in non-compliance by the Meeting of the Parties by country or appeared to be in non-compliance or that were at risk of future non-compliance for CTC. It also addressed decisions 43/3(c) (i) and 43/4 (d) on impediments to achieving compliance by countries in non-compliance and/or at risk of non-compliance; and
- (c) Part III contained an analysis of the ODS consumption data by sector and by Article 5 country, and of the implementation of country programmes.

40. In light of the comprehensive nature of the report, it was suggested that a summary table be provided in future versions of the document to include targets, observations and recommendations. It was noted that there remained only a few countries whose compliance needs had not been addressed by the Executive Committee. Several representatives indicated that there remained a number of countries with low volumes of CTC/TCA consumption to be addressed. It was also suggested that there should be a contact group in the margins of the present meeting that would have “brain-storming” sessions with implementing agencies concerning a possible strategy for addressing countries with nominal levels of CTC and TCA. The convenor of the contact group later reported on the fruitful discussion held within the group and circulated notes outlining the main points made during the Meeting.

41. It was noted that Sri Lanka had been included in paragraph 60 of the document and in the related tables in error and should be deleted.

42. After discussion on the status of compliance, the revised formats for future reports, a possible strategy for addressing nominal quantities of CTC and TCA, and the level of total remaining ODS consumption, and after having noted that the contact group wished to pursue its work in the margins of the 45th Meeting, 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/44/6 and Corr.1, taking into account the comments made during the meeting;
- (b) To request bilateral and implementing agencies to include phase-out activities, where appropriate, for eligible consumption in their 2005-2007 business plans for the following countries:
  - (i) For CFCs: Saint Vincent and the Grenadines;
  - (ii) For halon: Libyan Arab Jamahiriya and Somalia (when the conditions appeared conducive to a sustainable operation);
  - (iii) For methyl bromide: Papua New Guinea;
  - (iv) For methyl chloroform: Ecuador;

- (v) For carbon tetrachloride: Bahrain, Barbados, Islamic Republic of Iran, and Paraguay; and
- (c) That the contact group on a possible strategy for addressing low volumes of CTC and TCA consumption should be reconvened at the 45th Meeting of the Executive Committee.

**(Decision 44/4)**

**(d) Model rolling three-year phase-out plan: 2005-2007 (decisions 38/66 (f) and 42/4 (d))**

43. The Executive Committee considered the model rolling three-year phase-out plan for the Multilateral Fund for the years 2005-2007 (UNEP/OzL.Pro/ExCom/44/7 and Corr.1). The representative of the Secretariat said that, although the Executive Committee at its 42nd Meeting had requested the Secretariat to present an updated model for the 2005-2007 period to its first Meeting in 2005, the model was being presented to the 44th Meeting so that the Executive Committee could provide guidance to bilateral and implementing agencies for the preparation of their business plans for the 2005-2007 triennium, which they would be submitting to the 45th Meeting. He explained that the document provided an analysis of the amounts of ODS that needed to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 phase-out targets, plus partial phase-out of the remaining ODS consumption towards achievement of the phase-out targets in 2010. The document also included a status report on implementation of the model and the level of funding agreed in principle.

44. In response to one representative, who noted that CTC and CFC consumption and production had increased in some countries, the representative of the Secretariat recalled that the Executive Committee had reached agreements with the countries concerned.

45. The Executive Committee decided:

- (a) To adopt the 2005-2007 model three-year phase-out plan as a flexible guide for resource planning to phase out eligible ODS for the corresponding triennium, without prejudice to the level of funding to be agreed by the Parties for the 2005-2007 triennium;
- (b) To urge Article 5 countries with approved projects not yet implemented and the cooperating bilateral and implementing agencies to accelerate the pace of implementation during the 2005-2007 triennium;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as needing immediate assistance to achieve the 2005 CTC and TCA phase-out targets and to include activities in their 2005-2007 business plans as appropriate; and

- (d) To request the Secretariat to present an updated model three-year rolling phase-out plan for the years 2006-2008 to the last Meeting of the Executive Committee in 2005 to provide guidance as relevant for the preparation of the 2006-2008 business plan of the Multilateral Fund.

**(Decision 44/5)**

**(e) Qualitative performance indicators (decision 42/5 (b) and (c))**

46. The Executive Committee considered the document on qualitative indicators for measuring the performance of implementing agencies (UNEP/OzL.Pro/ExCom/44/8). The representative of the Secretariat, introducing the item, indicated that the proposal was based on the deliberations of an inter-agency coordination meeting. He also recalled that the issue of performance indicators had been addressed at several previous meetings of the Executive Committee, and a revised set of quantitative indicators had been approved at the 41st Meeting.

47. Representatives noted that the indicators proposed by the Secretariat would require input from all National Ozone Units and concern was expressed that such an evaluation would add to their already heavy workload. It was pointed out that some of the proposed indicators, especially those for sustainability, would assess the efficiency of National Ozone Units rather than implementing agencies. The sustainability of programmes implemented by an agency depended on the price of ODS, which was beyond the control of the implementing agencies.

48. It was noted that the Canadian proposal on qualitative performance indicators had been prepared to stimulate discussion, and several representatives expressed interest in the approach and the indicators contained therein. One representative, however, noted that the Canadian proposal would require input from stakeholders within a country, which would be extremely difficult for National Ozone Units to manage. It was also noted that the Secretariat's proposal would allow for a narrative explanation by National Ozone Units and a response from the implementing agency concerned. It was accordingly suggested that the Secretariat's proposal might be adopted on a trial basis for one year.

49. One representative indicated that use of qualitative performance indicators would broaden the scope of the original proposal to include bilateral agencies. The criterion for the quality of an implemented project should be its long-term effects and whether it changed the public perception of the necessity to protect the ozone layer.

50. After some discussion on the need to hire an external consultant to assist in devising relevant qualitative indicators, it was proposed that a subgroup be asked to decide upon simple, transparent and useful indicators.

51. The representative of Argentina reported to the Meeting on behalf of the subgroup on qualitative performance indicators, explaining that the group felt it important that the subject be discussed further at regional network meetings. A preliminary list of proposed indicators had been drawn up but it was hoped that it would be supplemented by suggestions arising from the regional network meetings. Other representatives considered that it would take time to draw up a

full list and that it was best not to be too hasty. They would prefer to continue discussions at future meetings.

52. One representative firmly believed that the Fund Secretariat should be represented in person at the regional network meetings in order to share its expertise. Simply to receive summaries of the discussions that took place at the meetings would not be sufficient. He also expressed concern that the Secretariat might not have the resources to cope with its normal workload if it were to send representatives to every regional network meeting. The Chief Officer explained that the Secretariat did endeavour to send a representative to all regional network meetings but, depending on the timing of the meetings, preparations for Executive Committee meetings sometimes had to take precedence. Several representatives therefore suggested that a consultant be hired to assist the Secretariat in such circumstances.

53. The Executive Committee, after noting that qualitative performance indicators were intended to provide National Ozone Units in Article 5 countries with an opportunity to express their views on the performance of the agencies concerned in their countries, and that the purpose of the indicators proposed at the present Meeting was to address the types of issue that might be relevant to the overall assessment of the performance of agencies, decided:

- (a) To request further input on qualitative performance indicators from the National Ozone Unit officers at the next scheduled regional network meetings;
- (b) Also to request National Ozone Unit officers to consider the qualitative performance indicators proposed in the table in Annex II to the present report, and to provide suggestions on additions, deletions and/or modifications to those proposals;
- (c) Further to request the Secretariat to compile the results from the regional network meetings in a document for presentation to the 46th Meeting of the Executive Committee; and
- (d) To urge the Secretariat to work with UNEP to schedule regional network meetings at a time in 2005 that would maximize participation by the Secretariat and, where it was unable to attend, to utilize consultative services.

**(Decision 44/6)**

**(f) Review of the administrative cost regime and its core unit funding budget (follow-up to decision 41/94 (d))**

54. The representative of the Secretariat introduced the review of the administrative cost regime and its core unit funding budget (UNEP/OzL.Pro/ExCom/44/9 and Corr.1). He pointed out that, during 2003, UNDP and UNIDO had reported core unit costs above the US \$1.5 million level, and expected to exceed that level in 2004 and 2005. As decision 38/68 had established the US \$1.5 million level for the current triennium, it might be appropriate to review the current administrative cost regime to decide whether it should continue or be changed for the 2006-2008 triennium. The representative of the Secretariat also reported that the goal of bringing agency

support fees down to below 10 per cent had not been reached under the new administrative cost regime adopted pursuant to decision 38/68, although there had been a drop from 11.2 per cent in 2003 to an estimated 10.7 per cent in 2004, based on the level of submissions to the 44th Meeting.

55. Following the Secretariat's introduction, it was stated that since total agency support costs had not been lowered to below 10 per cent the indication was that the new administrative cost regime had not achieved its objective. The fact that some implementing agencies were expecting to exceed their core budgets for 2004 and 2005 was also cause for concern and the reasons for exceeding these budgets should be provided.

56. It was pointed out, however, that bringing total support costs to under 10 per cent had not been the main objective when devising the new administrative cost system. Core unit funding had replaced the former agency-share approach to provide countries with more flexibility to work with the agencies of their choice, while providing stability to the agencies' highly experienced core staff. One possible explanation for exceeding core budgets was that inflation had not been taken into account when establishing the figure of US \$1.5 million for the current triennium. The fact that implementing agencies were increasingly being urged to implement projects more quickly to meet deadlines relating to control measures could also result in administrative costs rising. All of those factors had to be taken into account in a review of the administrative cost regime and its core unit funding budget.

57. The need for a review of the current administrative cost regime was acknowledged, as was the need for more information from the implementing agencies. One representative said that it was important to consider not only core unit funding in the review, but also established percentages for agency support fees. Given the complex nature of the matter, the representative of the Secretariat requested that adequate time be provided to conduct the review.

58. Following the discussion, the Executive Committee decided:

- (a) To note the report on administrative costs as presented in documents UNEP/OzL.Pro/ExCom/44/9 and Corr.1;
- (b) To approve US \$1.5 million for core unit funding for 2005 each for UNDP, UNIDO and the World Bank;
- (c) To request a review of the current administrative cost regime and provide recommendations either for its continuance or for an alternative administrative cost regime for the 2006-2008 triennium; and
- (d) To request the implementing agencies to provide more in-depth information on their administrative costs, in time for it to be used in the review of the administrative cost regime to be presented by the Secretariat at the 46th Meeting of the Executive Committee.

**(Decision 44/7)**

## **AGENDA ITEM 6: PROGRAMME IMPLEMENTATION**

### **(a) Final evaluation report on halon banking projects for countries with low volumes of installed capacities**

59. The Senior Monitoring and Evaluation Officer presented the final evaluation report on halon banking projects for countries with low volumes of installed capacities (UNEP/OzL.Pro/ExCom/44/10).

60. It was generally agreed that there should be flexibility regarding the funding of such projects above the one-time funding limit of US \$25,000. Several representatives suggested amendments to the recommendations proposed in the document, which in general were accepted by the other members. Other representatives raised questions such as whether regional clearing houses would be more efficient than a centralized clearing house, or whether virtual halon banking could be introduced.

61. There were, however, differing views on the proposed hiring of a consultant to conduct a feasibility study on halon destruction, analysing the quantities of contaminated halons installed and recovered, available destruction technologies and facilities, as well as costs, taking into account the installed capacities in countries without reported consumption. There was disagreement among the members as to whether destruction contributed to compliance with the control measures of the Montreal Protocol. If such a study were to be conducted, one representative recommended that Parties draw on the results of the review of destruction technologies in 2005, pursuant to decision XIV/6 of the Fourteenth Meeting of the Parties. Another representative said that it was important for a consultant to consider the cost of exporting to countries with destruction facilities as that might imply obligations under the Basel and Rotterdam Conventions for countries that were Party to those treaties.

62. Given the lack of consensus, the Chair requested that interested members consult with one another to agree on amendments to the recommendations and to present a new draft to all members. Following the consultations, a new proposal was presented and amended during discussions.

63. On the basis of the proposal, the Executive Committee decided:

- (a) In view of the particularly high ODP values of halons, to continue to consider the volume of funding for countries with low volumes of installed halon capacities with some degree of flexibility regarding the one-time funding of US \$25,000 foreseen in the Halon Banking Guidelines. Taking into account this flexibility, to allow the submission of halon banking update projects for countries which had received less than US \$50,000 for halon banking;

- (b) That countries with low volumes of installed halon capacities should concentrate project activities on stakeholders workshops, training, development of import controls/bans and awareness-raising, and consider the usefulness of the creation of a regional clearing house for providing information on sources for recycled halons and on alternatives. The import controls/bans should include provisions for the allowance of imports of recycled and/or reclaimed halons;
- (c) That recycling equipment should only be funded (i) if a significant volume of installed halon capacities in the country or region had been clearly established; (ii) if alternative recycling facilities in the country or region were not available in the medium and long terms, or were in poor condition; (iii) if the technical competence and economical viability of the proposed host company or institution had been demonstrated; (iv) if a network of recovery centres had or would be established, so as to ensure that the recycling equipment was used; and (v) if a regulatory framework which established periodical checks of equipment containing halons was in place;
- (d) To request bilateral and implementing agencies concerned to assist the companies or institutions hosting recovery and recycling centres to review the original planning agreed by the countries and stakeholders in developing a new business plan, which should include calculations of operational costs and projections of revenues, as well as costs and modalities for transporting halon and/or equipment to and from clients. New projects should also include a detailed business plan;
- (e) To request the Government of Germany, in cooperation with the countries concerned, to update the plan for the regional halon projects in West Asia and Eastern and Southern Africa within the framework of the funding approved, and taking into account recovery and recycling facilities in the countries and regions in order to realize full phase-out of virgin halon consumption while assuring the supply of recycled halons from either national or regional recovery and recycling centres, and to report upon the plan's preparation and implementation in the progress report covering the year 2004;
- (f) That countries participating in regional halon projects with recovery and recycling equipment should develop, during project preparation, a clear understanding and agreement about the use of the recovery and recycling equipment funded. This should include the processing fees and transport and storage costs, and the coverage of deficits, if they arose, as well as the lifting of any impediments to trade in recovered and recycled halons in the region, if such restrictions existed. In that context, the use of funds under the projects for temporary assistance for funding operating costs should be defined as well;
- (g) To recommend that the Meetings of the Parties to the Montreal Protocol draw upon the experience of the Executive Committee in the halon sector in their consideration of the need to review the status of destruction technologies in 2005 envisaged in decision XIV/6 and in the light of decision XV/9 of the Meetings of the Parties; and

- (h) To request UNEP to use fully the capacities of the recently-recruited Compliance Assistance Programme Officer for the halon sector, located in the Regional Office for West Asia, for providing interested parties with information on alternatives to halon and on regulations and standards. This should be achieved via presentations to network meetings and national stakeholder workshops, individual advice by telephone, e-mail and, if necessary, missions to selected Article 5 countries, in particular in cases of non-compliance.

**(Decision 44/8)**

**(b) 2004 consolidated project completion report**

64. The Executive Committee considered the 2004 consolidated project completion report (UNEP/OzL.Pro/ExCom/44/11 and Add.1) prepared in accordance with decisions 23/8 (i) and 26/11 of the Executive Committee. The Senior Monitoring and Evaluation Officer, introducing the report, noted that a number of project completion reports (PCRs) due were still outstanding, particularly from UNDP and the World Bank. While the ODS phase-out had, in most cases, been reported as planned, the average implementation delays were significantly longer than in the previous year. Key information was provided more regularly, but deficiencies still existed with regard to completeness and consistency.

65. One representative suggested that the requests to bilateral and implementing agencies in the draft recommendations be separated, as the bilateral agency in his country might find it difficult to comply with some parts of the PCR format. Certain PCRs that were outstanding as of December 2003 would be submitted shortly.

66. Several representatives welcomed the inclusion in the report of the list of lessons learned, noting their importance for the sustainability of ODS phase-out programmes. In response to one representative, the Senior Monitoring and Evaluation Officer emphasized the general importance of cooperation among National Ozone Units, implementing agencies and local participating institutions and the positive role that national ozone committees played in that respect.

67. The Executive Committee decided:

- (a) To take note of the 2004 consolidated project completion report, as contained in documents UNEP/OzL.Pro/ExCom/44/11 and Add.1, including the schedule for submission of project completion reports due;
- (b) To request bilateral agencies concerned to make all necessary efforts and to request implementing agencies:
  - (i) To establish by the end of January 2005, in cooperation with the Fund Secretariat, full consistency of data reported in the project completion reports, in the Inventory of approved projects and in the annual progress reports;

- (ii) To provide, by the end of January 2005, the information still missing in a number of project completion reports;
- (iii) To clear the backlog of project completion reports for projects completed before the end of 2000 by the end of January 2005; and
- (c) To urge UNDP and the World Bank to make all necessary efforts to deliver the project completion reports still scheduled to be provided in 2004.

**(Decision 44/9)****(c) Desk study on the evaluation of customs officers training and licensing system projects**

68. The Executive Committee considered the report on the desk study on the evaluation of customs officers training and licensing system projects (UNEP/OzL.Pro/ExCom/44/12), which was a synthesis of a study conducted by the Senior Monitoring and Evaluation Officer and two consultants, who had analysed the documentation available. It also summarized the findings of field visits carried out to Romania and Senegal concerning customs officers training and licensing system projects. The document incorporated comments from a number of countries and agencies in a previous draft. The final evaluation was to be presented to the Executive Committee at its 45th Meeting before submission to the meeting of the Open-ended Working Group in July 2005. The full reports of the two field studies were available in the form of hard copy and also on the Intranet of the Fund Secretariat.

69. One representative noted that the document made no mention of transparent use of financial resources as part of good governance. Furthermore, the importance of regional cooperation, in particular through regional trade organizations, should receive more emphasis.

70. Another representative noted that the impact of completed projects could be used in establishing qualitative performance indicators, and therefore timely submission of reports was essential. He commented that collaboration should be enhanced not only among National Ozone Units but also with other national authorities, such as environmental protection agencies, and with neighbouring countries. Field studies should focus on countries for which concrete cases of illegal trade had been reported and it was noted that most of them were situated in Asia.

71. One representative commented that one of the aims of the study had been to evaluate whether training of trainers for customs officers was a sustainable exercise, and suggested that the recommended use of alternative modalities, such as including training on other conventions, went beyond the scope of the study.

72. Several representatives emphasized the lack of equipment provided to customs officers for sampling and analysing chemicals. The Senior Monitoring and Evaluation Officer replied that the equipment available appeared to be used rarely and was often stored in training institutes. The study would try to ascertain the reasons for the under-utilization. He added that the comments of the representatives would be used to amend the terms of reference of the study and the list of evaluation issues. In response to one representative who asked for the interaction between Article 5 and non-Article 5 countries to be mentioned, the Senior Monitoring and

Evaluation Officer said that the issue of exchanging data on exports among those countries would be considered.

73. The Executive Committee took note of the information provided in document UNEP/OzL.Pro/ExCom/44/12, including the evaluation issues and approaches, and of the views expressed by the Executive Committee on them for the final phase of the evaluation.

**(d) Draft monitoring and evaluation work programme for the year 2005**

74. The Executive Committee considered the draft monitoring and evaluation work programme for the year 2005 (UNEP/OzL.Pro/ExCom/44/13), which was presented by the Senior Monitoring and Evaluation Officer.

75. The Senior Monitoring and Evaluation Officer drew attention to the table of studies intended to be presented to forthcoming meetings of the Executive Committee, stressing that the extended desk study into the causes of non-compliance was in response to concerns on that topic expressed both by the Executive Committee and by the Meeting of the Parties. He also drew attention to the budget for the studies, noting that methyl bromide was proving to be a highly complex sector requiring the work of different consultants for each of the various sub-sectors.

76. In response to questions from representatives, he clarified that the final report on the evaluation of customs officers training and licensing system projects would cover the question of whether the equipment supplied to customs officers for identification of ODS was of the required type and number; that a desk study was a necessary precursor to a field study, enabling him to verify with the Executive Committee that he was indeed studying the issues that the members considered most relevant; and that the determination of subjects for evaluation was made independently by him, as desired by the Executive Committee, and then discussed collaboratively within the Secretariat.

77. Having considered the results of the 2004 work programme, the evaluation studies for the year 2005, the implementation modalities and methodological approach, and the proposed budget for the year 2005, the Executive Committee decided to approve the proposed 2005 work programme for monitoring and evaluation at a budget of US \$246,000, as shown in document UNEP/OzL.Pro/ExCom/44/13.

**(Decision 44/10)**

**(e) Project implementation delays**

78. The Executive Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/44/14 and Corr.1), which was introduced by the representative of the Secretariat.

79. In response to a question from one representative regarding the Executive Committee's procedure for dealing with projects that were cancelled after all or part of the equipment had been delivered to the enterprises in the country, the representative of the Secretariat said that, where possible, a request was made to redeploy granted equipment to other projects. With

regard to accounting for phase-out from the portion of the project implemented before project cancellation, decision 39/13 stated specifically that, if the equipment could not be transferred, phase-out was recorded according to cost-effectiveness criteria. The representative said that he would appreciate further guidance and expressed the wish to discuss the intricate matter at greater length with the Secretariat.

80. One representative said that it would be useful to have more background on the reasons why projects were being considered for cancellation so that members would be aware of issues before they came to the Meeting.

81. The representative of Argentina reported that a licensing system had been established in Argentina on 19 November 2004, on the basis of decree 1609 of 17 November 2004.

82. Following the discussion and having considered the information on behalf of the Government of France on a technical assistance project in the Islamic Republic of Iran and on behalf of the Government of Germany on a recovery and recycling project in Egypt, from the World Bank on an aerosol project in Jordan and a halon project in Oman, from UNDP on a foam project in Nigeria, from UNEP on a technical assistance project, and from UNIDO on a refrigeration project implemented on behalf of the Government of Japan in China, the Executive Committee decided:

- (a) To note with appreciation the reports submitted to the Secretariat on projects with implementation delays by Canada, France, Germany, Japan and the four implementing agencies as contained in the documents on project implementation delays (UNEP/OzL.Pro/ExCom/44/14 and Corr.1);
- (b) To note with appreciation the report submitted pursuant to decision 43/12 on assistance for the national information, education and communication campaign for compliance with the Montreal Protocol in Nigeria, implemented by Japan (NIR/SEV/38/TAS/104);
- (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 report and notify governments and implementing agencies as required;
- (d) To adopt the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestones
UNDP	IND/ARS/28/INV/221	Phase-out of CFC by substituting HAPs at Syncaps	Project Completion by March 2005
UNDP	IND/ARS/29/TAS/244	Technical assistance for safety and technical programme to assist SME's manufacturing aerosol products (Phase I)	Project Completion by March 2005

- (e) To note the cancellation of the following projects through mutual agreement:

- (i) The development of a tracking system for ODS and ODS-based equipment (GLO/SEV/34/TAS/232), implemented by UNEP, for which none of the US \$40,000 approved for the project had been disbursed and with no ODS phase-out assigned;
  - (ii) 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), implemented by UNDP, for which US \$32,379 had been disbursed out of the US \$36,801 approved for the project with no phase-out assigned;
- (f) To note the automatic cancellation of the following project:
- Phase-out of CFCs in the manufacture of flexible foam (slab stock) at Sodiflex and Tiznit Plastic S.A. in Morocco (MOR/FOA/23/INV/12), implemented by UNDP, for which US \$505,820 had been disbursed out of the US \$517,300 approved for the project as at 31 December 2003, noting that the cancellation was due to the failure to meet the conditions of decision 42/15 (i) (v) and 85 ODP tonnes were recorded as phased out;
- (g) To note the partial cancellation for the Grimoldi, Heliodino, Integral Metalurgica and Trosh components of the following project:
- Conversion from MCF used as solvent to aqua based cleaning at Argelite La Rioja, SA; CIMCAM, SA; Grimoldi, SA; Heliodino SAIC; Integral Metalurgica, SA; Orbis Mertig SAIC; Trosh, SA Unisol, SA and Buffalo, S.A. in Argentina (ARG/SOL/28/INV/91), implemented by the World Bank, for which US \$85,085 had been disbursed out of the US \$216,717 approved for the project as at 31 December 2003 with 2.3 ODP tonnes of phase-out assigned to the project, while noting that the cancellation was due to the failure to meet the agreed deadline and milestone set at the 43rd Meeting;
- (h) To send a letter of possible cancellation regarding the following project: Substitution of CFC-12 for HAPs at the aerosol plant of Arab Chemical Industries (JOR/ARS/31/INV/64) in Jordan, implemented by the World Bank, for which US \$37,871 had been disbursed out of the US \$49,539 approved for the project with no ODS phase-out assigned;
- (i) To note that the following projects had been completed:
- (i) Phasing out ODS in the production of compressors at Changshu Refrigerating Equipment Works (CPR/REF/28/INV/302), implemented by Japan;
  - (ii) A strategy for the refrigeration servicing sector (CPR/REF/31/TAS/359), implemented by Japan;

- (iii) Regional awareness-raising and South-South assistance (GLO/SEV/32/TAS/224), implemented by UNEP; and
- (j) To defer until the 45th Meeting of the Executive Committee the decision to cancel the small and medium-sized enterprises study (IRA/SEV/26/TAS/36) in the Islamic Republic of Iran, implemented by France, for which US \$20,000 had been disbursed out of the US \$75,000 approved for the project with no ODS phase-out assigned.

**(Decision 44/11)**

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

83. The representative of the Secretariat drew the attention of the Executive Committee to the progress reports on the implementation of terminal CFC phase-out plans in Colombia, Jamaica, and Trinidad and Tobago and a methyl bromide phase-out project in Turkey (UNEP/OzL.Pro/ExCom/44/15).

84. The Executive Committee took note of the progress reports on the implementation of the following projects:

- (a) Colombia: National phase-out plan for Annex A (Group I and II) substances: first implementation programme (UNDP), approved by the Executive Committee at its 41st Meeting;
- (b) Jamaica: Terminal phase-out management plan for CFCs (Government of Canada and UNDP), approved by the Executive Committee at its 37th Meeting;
- (c) Trinidad and Tobago: Terminal phase-out management plan for CFCs (first tranche) (UNDP), approved by the Executive Committee at its 40th Meeting; and
- (d) Turkey: Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (second tranche) (UNIDO), approved by the Executive Committee at its 41st Meeting.

**AGENDA ITEM 7: PROJECT PROPOSALS**

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

85. The representative of the Secretariat introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/44/16 and Corr.1) and explained that it presented the statistics on submissions received, a description of one policy issue, the list of all projects and activities recommended for blanket approval and the list of projects for individual consideration. He drew the Executive Committee's attention to the policy issue regarding verification of consumption and phase-out in multi-year agreements. He explained that, although the

documents mentioned that in five projects the Secretariat had identified issues relating to the verification of annual consumption limits and annual phase-out by sector, those issues had subsequently been resolved for two of the five projects.

86. In response to requests for clarification, the representative of the Secretariat indicated that each project agreement required the agency, on behalf of the country, to verify that the maximum level of consumption specified in the agreement had been observed for the preceding year, that phase-out had been achieved and that activities in the phase-out plan had been carried out.

87. One of the purposes of the Secretariat's recommendation was to ensure that all the necessary verification information was included in the project documents before their submission to avoid the need to resolve problems afterwards. One representative pointed out that, if the requirement was for all verification information to be presented in the submission of the project proposal, then there should not be any "emerging issues" in need of further consideration.

88. During discussions on the policy issue, one representative expressed concern regarding the ability of countries to guarantee reliable verification of activities carried out. He said that, across a variety of sectors, with thousands of enterprises, verification would be a complex and difficult task, involving a heavy workload. He stressed the need for a reliable and accurate way of analysing figures and verifying national measures.

89. After further discussion, the Executive Committee decided to request the implementing agencies to ensure that all verification procedures required under the relevant agreement had been completed and were included in the project document prior to its submission. In the event that all verification procedures had not been completed, agencies should notify the Secretariat in advance and discuss outstanding issues.

**(Decision 44/12)**

90. The Executive Committee then considered the list of projects and activities for blanket approval contained in Annex I to document UNEP/OzL.Pro/ExCom/44/16 and in Corr.1.

91. One representative noted that multi-year projects, including those for methyl bromide, with no cost or policy issues had not been included in the list of projects for blanket approval, but were referred for individual consideration. While recognizing that that had been the practice in the past, he considered that such projects could in future be considered for blanket approval. Another representative, however, believed that it was too early to take a decision on including methyl bromide projects in the blanket approval list.

92. Following further discussion, the Executive Committee decided to request the Secretariat no longer to refer tranches of multi-year agreements for individual consideration, including those for methyl bromide, unless there were specific issues related to a particular agreement.

**(Decision 44/13)**

93. In response to requests for clarification, the Secretariat provided additional information on several project proposals. Following a discussion and the provision of additional clarifications by the Secretariat regarding certain project proposals, a number of conditions were attached to the approval of those projects. Those conditions are all indicated in the list of approved projects and activities (Annex III to the present report).

94. Following the discussion and clarifications from the Secretariat and implementing agencies, the Executive Committee decided to approve the projects submitted for blanket approval listed in Annex I to document UNEP/OzL.Pro/ExCom/44/16 and in Corr.1 at the level of funding indicated in Annex III to the present report, with the conditions or provisos included in the corresponding project evaluation sheets and also those conditions attached to projects by the Executive Committee, as indicated in Annex III to the present report. 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 IV to the present report.

**(Decision 44/14)**

**(b) Bilateral cooperation**

95. The Executive Committee had before it 10 requests for bilateral cooperation submitted by the Governments of France, Germany, Japan, Sweden, Switzerland and the United States of America (UNEP/OzL.Pro/ExCom/44/17, Add.1 and Corr.1). Four projects were included in the blanket approval list considered under agenda item 7(a) (overview of issues identified during project review) and six projects and activities would be considered under agenda item 7(e) (investment projects).

96. The representative of the Secretariat pointed out that Germany currently had projects in its 2004 and 2005 business plans whose funding levels would in total exceed Germany's bilateral contribution limit for the triennium. The representative of United Kingdom of Great Britain and Northern Ireland on behalf of Germany indicated that Germany had identified probable funding from other agencies for three of the remaining six activities.

97. The representative of UNDP reported that the non-submission of the 2004 tranche of the CFC phase-out plan for Brazil had been delayed in view of the issues addressed above. She requested that the non-submission of that tranche not be taken into consideration with regard to the UNDP business plan targets for 2004. The request would be submitted in 2005.

98. The Executive Committee decided:

- (a) To urge Germany to find alternative sources of funding for the projects remaining in its 2004 and 2005 business plans; and
- (b) That the non-submission of the 2004 annual tranche of Brazil's CFC phase-out project should not be taken into consideration in assessing performance against relevant UNDP business plan targets for 2004.

**(Decision 44/15)**

99. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 44th Meeting as follows:

- (a) US \$550,001 against the balance of France's contribution for 2005;
- (b) US \$429,400 against the balance of Germany's contribution for 2005 minus the US \$15,344 to be offset per decision 44/2 (f);
- (c) US \$1,130,000 against the balance of Japan's contribution for 2004;
- (d) US \$42,000 against the balance of Sweden's contribution for 2004;
- (e) US \$290,015 against the balance of Switzerland's contribution for 2004; and
- (f) US \$5,375,000 against the balance of the contribution of the United States of America for 2004.

**(Decision 44/16)**

**(c) Amendments to work programmes for 2004:**

**(i) UNEP**

100. The Executive Committee had before it UNEP's work programme amendments (UNEP/OzL.Pro/ExCom/44/18 and Add.1). The representative of the Secretariat indicated that 19 of the activities for blanket approval had already been approved under agenda item 7(a) and 20 activities associated with refrigerant management plans would be considered under investment projects. The Executive Committee considered the remaining five proposals for institutional strengthening and one proposal for the extension of the Pacific Island Strategy to include the Cook Islands, Nauru and Niue, as indicated below.

Somalia (advance on Phase I): New institutional strengthening project

101. The representative of the Secretariat stated that the proposed country programme and the refrigerant management plan had been withdrawn for further development. However, given the challenges that Somalia faced in complying with the Montreal Protocol control measures, extension of the provisional institutional strengthening project for one additional year only could be considered on an exceptional basis.

102. Following a discussion, the Executive Committee decided to approve on an exceptional basis interim funding for institutional strengthening activities in Somalia for an additional one-year period, at the same level of funding previously approved of US \$26,000, with the proviso that the level of funding requested would not constitute the basis for determining the funding level for the remaining one-year period.

**(Decision 44/17)**

Cameroon (Phase IV, second year): Renewal of institutional strengthening project

103. The representative of the Secretariat indicated that Cameroon might have returned to compliance with the control measures for CFCs, halons and methyl bromide, and consequently there was no longer any impediment to renewal of Cameroon's institutional strengthening project for the second year of Phase IV.

104. Following a discussion, the Executive Committee decided to approve Cameroon's request for the second year of Phase IV of its institutional strengthening project, at the amount of US \$69,766, and to express to the Government of Cameroon the views contained in Annex IV to the present report.

**(Decision 44/18)**

Fiji (Phase IV): Renewal of institutional strengthening project

105. The representative of the Secretariat indicated that Fiji had reported to the Fund Secretariat a consumption of 1.5 ODP tonnes for controlled uses of methyl bromide, which exceeded the baseline limit for Fiji of 0.7 ODP tonnes. He also said that Fiji had been found to be in non-compliance with the Montreal Protocol's control measures for methyl bromide by the Sixteenth Meeting of the Parties (decision XVI/23).

106. Following a discussion, the Executive Committee decided to approve Phase IV of the institutional strengthening project for Fiji for a one-year period, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance, at the amount of US \$30,000, and to express to the Government of Fiji the views contained in Annex IV to the present report.

**(Decision 44/19)**

Mali (Phase III): Renewal of institutional strengthening project

107. The representative of the Secretariat said that Mali's 2003 country programme data had recently been received by the Secretariat and there was thus no impediment to the renewal of Mali's institutional strengthening project for a two-year period as requested.

108. Following a discussion, the Executive Committee decided to approve Phase III of Mali's institutional strengthening project at the amount of US \$60,667, and to express to the Government of Mali the views contained in Annex IV to the present report.

**(Decision 44/20)**

Nepal (Phase III): Renewal of institutional strengthening project

109. The representative of the Secretariat drew the Executive Committee's attention to the institutional strengthening renewal for Nepal, noting that the 2003 country programme data had only recently been received from Nepal. Additionally, Nepal's compliance situation with regard

to CFCs had been reviewed by the Parties at their Sixteenth Meeting (decision XVI/27), which had concluded that Nepal was, in fact, in compliance. Nepal's request for a renewal of its institutional strengthening project could thus be approved as requested.

110. Following a discussion, the Executive Committee decided to approve Phase III of Nepal's institutional strengthening renewal request at the amount of US \$60,000, and to express to the Government of Nepal the views contained in Annex IV to the present report.

**(Decision 44/21)**

Region: Asia and the Pacific: Extension of the regional strategy to comply with the Montreal Protocol in Pacific Island countries (PIC Strategy)

111. The representative of the Secretariat referred to the proposal for the extension of the Pacific Island Countries (PIC) Strategy to include the Cook Islands, Nauru and Niue. At the 36th Meeting, the PIC Strategy had been approved covering eight countries. The three additional countries had little consumption but to date had not received any assistance to achieve or sustain CFC phase-out.

112. Following a discussion, the Executive Committee decided to approve the extension of the regional strategy for Pacific Island countries to include the Cook Islands, Nauru and Niue, at a level of funding of US \$141,000 plus agency support costs of US \$12,480, on the understanding that:

- (a) The Governments of the countries concerned would achieve complete phase-out of ODS by 2005 and would have flexibility on the use of the funding approved;
- (b) The Governments of the Cook Islands, Nauru and Niue would present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes. The initial report, covering the period 1 December 2004 to 31 December 2005, should be submitted to the Fund Secretariat no later than 1 May 2006; and
- (c) The funding provided under the project would represent the total funding from the Multilateral Fund for those countries to maintain complete phase-out of CFCs from 2005 onwards.

**(Decision 44/22)**

Grenada: Additional assistance for institutional strengthening

113. On a related matter, one representative raised the issue of institutional strengthening required for Grenada, following the destruction of its National Ozone Unit during a hurricane in July 2004. It was necessary to determine how much financial support could be provided to Grenada. It was pointed out that a precedent existed in the decision taken by the Executive

Committee to increase funding for the institutional strengthening project in another country following a fire that had destroyed its National Ozone Unit.

114. After discussion, the Executive Committee decided to approve the provision of a sum of US \$18,000 for institutional strengthening on an exceptional basis, taking into consideration the circumstances facing the National Ozone Unit in Grenada after the destruction by a hurricane in 2004 of 90 per cent of the country's infrastructure.

**(Decision 44/23)**

**(ii) UNDP**

115. The Executive Committee had before it UNDP's work programme amendments (UNEP/OzL.Pro/ExCom/44/19). Six proposals were recommended for blanket approval and had therefore been considered under agenda item 7(a). One request, for core unit funding, had been considered under agenda item 5(f). The Executive Committee considered the following two institutional strengthening renewal requests and one proposal to provide supplementary oversight services for refrigerant management plan activities:

Islamic Republic of Iran (Phase V): Renewal of institutional strengthening project

116. The representative of the Secretariat stated that the Islamic Republic of Iran had reported consumption data to the Fund Secretariat exceeding the baseline consumption levels for CTC and TCA. There was no control on CTC consumption before 2005, but the Islamic Republic of Iran had been presumed to be in non-compliance with the TCA consumption freeze by the Sixteenth Meeting of the Parties.

117. Following a discussion, the Executive Committee decided to approve Phase V of the Islamic Republic of Iran's institutional strengthening project, at the funding level indicated in Annex III, for a one-year period, without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance, and to express to the Government of the Islamic Republic of Iran the views contained in Annex IV to the present report (decision XVI/20).

**(Decision 44/24)**

Lebanon (Phase IV): Renewal of institutional strengthening project

118. The representative of the Secretariat indicated that Lebanon had reported, under Article 7, methyl bromide consumption data exceeding Lebanon's baseline. Lebanon's request to change its methyl bromide baseline had been reviewed by the Implementation Committee at its Thirty-third Meeting, and subsequently a decision to increase the baseline to 236.4 ODP tonnes had been taken by the Parties at their Sixteenth Meeting (decision XVI/31). Consequently, the renewal of Lebanon's institutional strengthening project could be considered for a period of two years.

119. Following a discussion, the Executive Committee decided to approve Phase IV of Lebanon's institutional strengthening project, at the level of funding indicated in Annex III, and to express to the Government of Lebanon the views contained in Annex IV to the present report.

**(Decision 44/25)**

Global: Supplementary oversight services for refrigerant management plan activities

120. The representative of the Secretariat indicated that UNDP had submitted a programme to provide additional assistance to countries for which it was implementing the investment component of a refrigerant management plan (RMP). The programme would cover 36 countries. The total cost of the project over a three-year period was US \$1,080,903, and funding of US \$360,301 had been requested for the first year.

121. UNDP had advised in its submission that the proposal was intended to raise the quality and quantity of services that UNDP's staff and its consultants could provide to 36 countries with RMP activities where UNDP had an investment component. It would increase the frequency of monitoring and provide direct support to the National Ozone Units, thus ensuring that the RMP activities implemented had the impact they originally were designed to deliver.

122. It was considered that UNDP had raised very important issues, but that simply granting additional funding for a new programme would constitute a piecemeal solution. Furthermore, the agency had received a mandate to implement the projects in its portfolio at the funding level already approved. One representative recognized the special role of UNDP in providing assistance to low-volume-consuming countries and RMPs, particularly in the African region. Rapidly-approaching compliance targets lent the matter a certain urgency, but it was generally deemed preferable to consider all aspects of the problem in depth, to provide a thoughtful and effective response to assisting countries with difficulties in implementing projects.

123. One representative suggested that UNDP present a list of countries with prospective compliance difficulties for which the supplementary oversight services programme would apply as a priority, rather than submit the proposal for a block of 36 countries.

124. The representative of UNDP pointed out that, while UNDP was without a doubt fulfilling its mandate to implement approved projects, it was important for those National Ozone Units that were counting on UNDP for extra assistance in order to carry out their implementation responsibilities to know that UNDP would unfortunately not be able to provide such additional assistance during the critical compliance period without additional funding.

125. Following a discussion, the Executive Committee decided to consider the issues raised in UNDP's proposal on supplementary oversight services for refrigerant management plan activities at upcoming meetings of the Executive Committee, and to examine them in the context of the 2005 review of assistance needed in the post-2007 period called for in decision 31/48 and of the review of the administrative cost regime and core unit costs called for in decision 38/68.

**(Decision 44/26)**

**(iii) UNIDO**

126. The Executive Committee had before it UNIDO's work programme amendments (UNEP/OzL.Pro/ExCom/44/20). Nine activities were recommended for blanket approval and had been considered under agenda item 7(a). One request, for core unit funding, had been considered under agenda item 5(f).

127. The representative of the Secretariat advised that the remaining activity for project preparation in the process agent sector in Turkey had been withdrawn by UNIDO as the process agent application had not been endorsed by the Parties. There were no other issues for consideration under the present agenda item.

**(iv) World Bank**

128. The Executive Committee had before it the World Bank's work programme amendments (UNEP/OzL.Pro/ExCom/44/21). Two activities, a project preparation request and an institutional strengthening project, were recommended for blanket approval and had been considered under agenda item 7(a). The third request for core unit funding had already been covered under agenda item 5(f). No further action was required under the present agenda item.

**(d) Compliance Assistance Programme (CAP) budget (follow-up to decision 41/38 (c)) and work programme for UNEP for the year 2005**

129. The Executive Committee had before it the Compliance Assistance Programme (CAP) budget (follow-up to decision 41/38 (c)) and work programme for UNEP for the year 2005 (UNEP/OzL.Pro/ExCom/44/22). Introducing the document, the representative of the Secretariat pointed out that the proposed 2005 CAP budget exceeded the approved 2004 budget by 6.5 per cent. The Secretariat was recommending the approval of all items requested, with the exception of two new budget lines which requested, respectively, US \$90,000 for a programme budget to enable the use of consultants in each region, and US \$20,000 for the operational costs of exhibitions and outreach. The Secretariat had suggested that those costs could be considered as being within the ongoing mandate of the CAP, and would thus be funded from within existing budget provisions. UNEP had also requested guidance on approval of three staff provisions.

130. Several representatives noted with concern that, if the increase requested by UNEP were granted, the CAP budget would have grown by 34 per cent since its inception in 2002. It was also stated that more reporting was required on UNEP's activities under the CAP and on the outcome of network meetings. One representative questioned the use of the 8 per cent support costs granted to UNEP for the CAP, and sought an explanation of what activities were paid for out of that amount.

131. Support was also expressed for providing the CAP with the requested funding, despite concerns over budget increases, given the programme's invaluable support to institutional strengthening in Article 5 countries.

132. In relation to specific budget lines, it was pointed out that the line item for temporary assistance for the CAP, which had been established to help UNEP make the transition to the CAP, could now be reduced by US \$40,000. The new programme line under sub-contracts could now be accepted on a one-year trial basis. At the conclusion of the trial period, UNEP would be required to report on all sub-contracts entered into under that budget item at a regional level.

133. Representatives also considered the issue of the additional funding requested to establish a new position within the CAP for a policy officer for the West Asia Network. It was concluded that funding for any such position should come from the existing CAP budget.

134. Following the discussion, the Executive Committee decided:

- (a) To approve UNEP's Compliance Assistance Programme (CAP) budget for 2005, attached as Annex V to the present report, at the amount of US \$7,157,544 plus support costs of US \$572,604 on the following basis:
  - (i) Approval of the programme line on sub-contracting for a one-year trial period, at the conclusion of which UNEP would report to the Executive Committee on sub-contracts entered into at a regional level (budget line 2299);
  - (ii) A reduction of US \$40,000 to the amount requested for temporary assistance to establish the CAP (budget line 1317);
  - (iii) Approval of the half-time general service post as assistant to the Regional Network Coordinator for Europe and Central Asia;
  - (iv) Provision within the budget allocation for a halon officer for the West Asia region;
  - (v) Any additional professional position for the West Asia region should be funded from within the CAP budget; and
- (b) To request UNEP to continue to report to the Executive Committee on the actual allocation and use of the 8 per cent programme support costs between support services pertaining to the implementation of the CAP and the administrative support costs charged by the United Nations Office at Nairobi.

**(Decision 44/27)**

**(e) Investment projects**

135. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/44/16 and Corr.1, containing a list of 24 projects for individual consideration, which were considered separately, as indicated below:

Projects routinely referred; no costs or eligibility issues

China: CFC production sector: 2005 annual programme (World Bank)  
(UNEP/OzL.Pro/ExCom/44/33)

136. The representative of the Secretariat indicated that implementation of the 2004 annual work programme as of June 2004 was proceeding as planned, and CFC production at the middle point of the year was reported to be about 50 per cent of the annual allowable production level. The targets for the 2005 work programme were consistent with the Agreement.

137. The Executive Committee decided:

- (a) To approve the 2005 work programme of the China CFC production closure programme, noting that the request for funding and support costs would be submitted by the World Bank to the 45th Meeting, with a verification report on implementation of the 2004 annual programme; and
- (b) To encourage the Government of China and the World Bank to review, for monitoring purposes, the linkages between the CFC production sector phase-out plan, other relevant CFC consumption sectors, and other ODS consumption sector plans.

**(Decision 44/28)**

China: Phase out the production and consumption of CTC for process agent and other non-identified uses (Phase I): 2005 annual programme (World Bank)  
(UNEP/OzL.Pro/ExCom/44/33)

138. The representative of the Secretariat indicated that the World Bank had submitted the 2005 annual programme on behalf of the Government of China, indicating that approval of the fourth tranche of funding of US \$2,000,000, as well as the associated support costs, would be sought at the 45th Meeting, with verification of implementation of the 2004 annual work programme. As a follow-up to decision 43/25, which 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, it was concluded that the Agreement was not intended to control the production or use of CTC as feedstock for non-ODS chemicals, and that China would verify the amount used for such applications and report to the Ozone Secretariat in accordance with Article 7 of the Montreal Protocol.

139. The Executive Committee decided:

- (a) To confirm that the Agreement with China to phase out CTC for process agent applications and other non-identified uses (Phase I) approved at the 38th Meeting did not cover the production or use of CTC as feedstock for non-ODS chemicals, and that China should verify the amount of CTC used for such applications and report to the Ozone Secretariat under Article 7 of the Montreal Protocol; and

- (b) To approve the 2005 annual work programme but withhold approval of the funding and the associated support costs until the 45th Meeting, when the World Bank would submit verification of the 2004 work programme.

**(Decision 44/29)**

China: National plan to phase out methyl bromide (second tranche) (UNIDO and Italy) (UNEP/OzL.Pro/ExCom/44/33 and Add.1)

140. The representative of the Secretariat indicated that UNIDO, on behalf of the Government of China, had submitted a national plan for phasing out methyl bromide in the consumption sector. The cooperating agency would be the Government of Italy. The project would result in phasing out of 1,087 ODP tonnes of methyl bromide, representing the total consumption of controlled uses of methyl bromide in China. The total cost of the project as submitted would be about US \$18 million. After discussions with major stakeholders in China, UNIDO had redesigned some project components, resulting in a reduction in project costs to about US \$14 million, including US \$4 million already approved at the 41st Meeting. An additional US \$5.4 million would be provided by the Government of China as a counterpart contribution. The cost-effectiveness of the phase-out plan was US \$13.61 per kilogramme.

141. One representative reported that, for internal reasons, the contribution of the Italian Government would be paid in one tranche in 2005 and not in three tranches as indicated in the draft agreement between the Government of China and the Executive Committee.

142. The Executive Committee decided:

- (a) To approve in principle the national plan for the phase-out of methyl bromide in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,279,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy);
- (b) To note that the amount approved in principle included US \$4,086,600 plus agency support costs of US \$306,495 previously approved for UNIDO at the 41st Meeting to phase out 389 ODP tonnes of methyl bromide; and
- (c) To approve the Agreement between the Government of China and the Executive Committee contained in Annex VI to the present report.

**(Decision 44/30)**

China: Solvent sector plan for ODS phase-out (6th tranche) (UNDP) (UNEP/OzL.Pro/ExCom/44/33)

143. The representative of the Secretariat said that UNDP had submitted on behalf of the Government of China the 2004 progress report on implementation of the solvent sector plan for

ODS phase-out in China, with the proposed annual implementation programme for 2005. Consistent with previous practice, funding for the 2005 programme of US \$6,106,000, including support costs, was not being requested but would be included in UNDP's 2005 business plan and requested at the 45th Meeting. According to the information provided in the progress report, including the verification audit, China had met the consumption limits specified in the agreement for CFC-113, TCA and CTC. The main performance requirements in the Agreement had therefore been met. Use of CFC-113 as a feedstock or a chemical intermediate continued to exceed the level of 10 ODP tonnes also specified in the Agreement. China had indicated that the intent of the limitation on feedstock use to ensure that CFC-113 was not diverted to solvent use had been verified by the CFC production sector report. Funding for the 2004 tranche had been approved at the 42nd Meeting on that basis.

144. Following the discussion, the Executive Committee decided:

- (a) To note with appreciation the progress report from the Government of China and UNDP on implementation of the solvent sector plan for ODS phase-out in China for 2003-2004;
- (b) To approve the annual implementation programme for 2005, funding for which would be requested at the 45th Meeting; and
- (c) That in view of the explanation, by the representative of China, that the verification procedures undertaken annually as part of the production sector project confirmed that the intent of paragraph (c) of the Agreement to prevent the diversion of CFC-113 for use in the solvent sector was being met, it was no longer necessary for annual reports to make reference to the quantity of CFC-113 used as a feedstock or as a chemical intermediate.

**(Decision 44/31)**

Cuba: Total phase-out of methyl bromide in soil, substrate, storage and structure fumigation (UNIDO) (UNEP/OzL.Pro/ExCom/44/34)

145. The representative of the Secretariat indicated that the Government of Cuba had submitted a project proposal to phase out 24 tonnes of methyl bromide used in soil, substrate, storage and structure fumigation. That amount represented the total consumption of controlled uses of methyl bromide in Cuba. A draft agreement between the Government of Cuba and the Executive Committee on the modalities of implementation of the project had been prepared.

146. The Executive Committee decided to approve the project proposal for the total phase-out of methyl bromide in soil, substrate, storage and structure fumigation at the level of funding indicated in Annex III to the present report in accordance with the Agreement between the Government of Cuba and the Executive Committee contained in Annex VII to the present report.

**(Decision 44/32)**

Lebanon: National phase-out management plan for Annex A (Group I) substances (CFCs) (first tranche) (UNDP) (UNEP/OzL.Pro/ExCom/44/43)

147. The representative of the Secretariat said that UNDP had submitted on behalf of the Government of Lebanon a national CFC phase-out management plan. Implementation of the plan would lead to the phase-out of the remaining consumption of Annex A, Group I (CFCs) substances (312.5 ODP tonnes), which represented the country's remaining CFC consumption.

148. One representative provided clarification that, following an agreement between the Government of Lebanon and UNDP, France as the bilateral cooperating agency, was withdrawing from the project, which would then be implemented solely by UNDP.

149. The Executive Committee decided:

- (a) To approve in principle the national CFC phase-out management plan for Lebanon at a total level of funding of US \$2,091,420 plus agency support costs of US \$156,857 for UNDP;
- (b) Also to approve the Agreement between the Government of Lebanon and the Executive Committee contained in Annex VIII to the present document; and
- (c) Further to approve funding of US \$1,061,420 plus support costs of US \$79,607 for UNDP for the first tranche of the phase-out plan.

**(Decision 44/33)**

Panama: National phase-out plan for Annex A (Group I) substances (first tranche) (UNDP and UNEP) (UNEP/OzL.Pro/ExCom/44/52)

150. The representative of the Secretariat indicated that UNDP had submitted, on behalf of the Government of Panama, a national phase-out plan for Annex A (Group I) Substances (NPP). The NPP would lead to the phase-out of CFCs in the country by the year 2009 and would assist the Government of Panama to meet its 2007 compliance target for CFC consumption. Panama had reported CFC consumption for 2003 of 168.5 ODP tonnes, a figure already below the 2005 compliance obligation of 192.1 ODP tonnes.

151. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the national phase-out plan for Annex A (Group I) substances for Panama, at a total level of funding of US \$993,152 plus agency support costs of US \$77,237 for UNDP and UNEP;
- (b) Also to approve the Agreement between the Government of Panama and the Executive Committee contained in Annex IX to the present report; and

- (c) Further to approve US \$250,152 plus support costs of US \$18,762 for UNDP and US \$25,000 plus support costs of US \$3,250 for UNEP for implementation of the first year of the national CFC phase-out plan.

**(Decision 44/34)**

Sudan: National CFC/CTC phase-out plan (first tranche) (UNIDO)  
(UNEP/OzL.Pro/ExCom/44/56)

152. The representative of the Secretariat indicated that UNIDO had submitted on behalf of the Government of Sudan a national CFC/CTC phase-out plan (NPP). The NPP would enable Sudan to meet the 2005 control measures for CFCs and CTC, and the 2007 control measure for CFCs. The project would lead to complete phase-out of CFCs and CTC by 1 January 2010. Sudan had reported CFC consumption for 2003 of 216.00 ODP tonnes, a figure already below the 2005 compliance obligation of 228.4 ODP tonnes.

153. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the national CFC/CTC phase-out plan for Sudan at a total level of funding of US \$1,139,480 plus agency support costs of US \$85,461 for UNIDO;
- (b) Also to approve the Agreement between the Government of Sudan and the Executive Committee contained in Annex X to the present document; and
- (c) Further to approve funding of US \$499,480 plus support costs of US \$37,461 for UNIDO for the first tranche of the phase-out plan.

**(Decision 44/35)**

#### Verification issues

Bahamas: Terminal phase-out management plan: 2004-2005 annual programme  
(World Bank) (UNEP/OzL.Pro/ExCom/44/26)

154. The representative of the Secretariat indicated that the World Bank had submitted the 2002-2003 progress report, the 2004-2005 implementation programme and a request for funding of the second tranche of the Terminal Phase-out Management Plan (TPMP) for the Bahamas. The original submission did not fully adhere to the provisions in the Agreement; in particular, there were data inconsistencies and the submission did not contain a verification report for 2002.

155. The World Bank had subsequently submitted all the missing information and had explained that a number of factors had contributed to the reporting of an incorrect consumption figure. The World Bank had addressed those issues and was taking measures to ensure that instances of misreporting did not arise in the future. It had been verified that the country maintained a level of consumption that was lower than the maximum allowable limits for both

2002 and 2003, and therefore met the commitments of its Agreement with the Executive Committee.

156. Following a discussion, the Executive Committee decided to approve the 2004-2005 programme of the Bahamas TPMP at the amount of US \$200,000 plus agency support costs of US \$26,000 for the World Bank.

**(Decision 44/36)**

China: Sector plan for phase-out of CFC-11 in the China foam sector: 2005 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/44/33)

157. The representative of the Secretariat indicated that the World Bank had submitted the 2003-2004 progress report for the polyurethane foam sector plan for China, together with the 2005 annual implementation programme and a request for approval of the 2004 funding tranche. The progress report included information related to a number of reporting, confirmation and verification requirements. The information contained in the submission did not fully address the verification requirements for annual CFC consumption in the foam sector and the related requirements in decision 41/42 of the Executive Committee. The World Bank had subsequently provided further clarification and additional verification of consumption data, based on an interim verification system, which indicated that all quantifiable targets for 2003 and the first half of 2004 had been fulfilled by China. The World Bank agreed to develop a methodology for determining foam sector CFC-11 consumption, as well as a reporting and verification format, in cooperation with the Secretariat.

158. In the light of the additional information, and following a discussion, the Executive Committee decided to approve US \$10,903,000 plus support costs of US \$961,270 for the World Bank for implementation of the 2005 annual programme of the sector plan for phase-out of CFC-11 in the China foam sector.

**(Decision 44/37)**

India: National CFC consumption phase-out plan (Germany, Switzerland, UNDP, UNEP, and UNIDO) (UNEP/OzL.Pro/ExCom/44/39)

159. The representative of the Secretariat indicated that, on behalf of the Government of India, the Government of Germany had submitted the 2003-2004 progress report, the 2005 implementation plan and a request for the 2004 funding tranche of the above project. The representative said that the national CFC consumption phase-out plan, approved at the 42nd Meeting, had combined previously approved sector plans in the refrigeration manufacturing and foam sectors with a new sector plan for refrigeration servicing.

160. The component for the refrigeration servicing sector met all the relevant criteria required for approval of funding. The UNDP request for funding in the refrigeration manufacturing and foam sectors did not provide the necessary information on verification of the 2003 CFC consumption and reduction targets required by the respective sector agreements.

161. The representative of UNDP indicated that UNDP was still discussing with the Secretariat the implications of the changeover from the previous sectoral agreements to the new national phase-out plan and the effect that this was having on reporting requirements.

162. The view was expressed that the Executive Committee would not be setting a precedent if it were to approve funding for the foam and refrigeration sectors with the proviso that no funds be disbursed until the necessary verification requirement had been met.

163. In light of the discussion, the Executive Committee decided:

- (a) To approve the 2005 annual implementation programme of the national CFC consumption phase-out plan and associated funding of US \$2,640,000 and support costs of US \$253,084 as follows:
  - (i) US \$100,000 plus agency support costs of US \$13,000 to the Government of Germany for the implementation of the second tranche for the customs and policy component and the refrigeration servicing sector;
  - (ii) US \$256,650 plus agency support costs of US \$33,365 to the Government of Switzerland for the implementation of the second tranche for the customs and policy component and the refrigeration servicing sector;
  - (iii) US \$277,050 plus agency support costs of US \$20,779 to UNDP for the implementation of the second tranche for the customs and policy component and the refrigeration servicing sector;
  - (iv) US \$256,300 plus agency support costs of US \$33,319 to UNEP for the implementation of the second tranche for the customs and policy component and the refrigeration servicing sector;
  - (v) US \$1,500,000 plus agency support costs of US \$131,000 to UNDP for the implementation of the third tranche of the foam sector phase-out plan; and
  - (vi) US \$250,000 plus agency support costs of US \$21,621 to UNDP for the implementation of the third tranche of the plan for the phase-out of CFCs in the refrigeration manufacturing sector;
- (b) To note that disbursement of the funding approved for UNDP under subparagraphs (v) and (vi) above should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the foam and refrigeration manufacturing sector plans had been completed through the provision of appropriate verification reports and agreement between the Secretariat and UNDP on their contents;
- (c) To request the Secretariat to report to the Executive Committee should further guidance on verification procedures be necessary; and

- (d) To further request the Secretariat to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.

**(Decision 44/38)**

Indonesia: National CFC phase-out plan (UNDP, World Bank, and UNIDO) (UNEP/OzL.Pro/ExCom/44/40 and Add.1)

164. The representative of the Secretariat indicated that the following sector plans had been submitted to the 44th Meeting on behalf of the Government of Indonesia: a revised national strategy for phasing out the use of CFCs in the aerosol sector, submitted by the World Bank; a report on implementation activities in 2003 and 2004 in the foam and refrigeration sectors, together with annual implementation plans for 2005 and a request for funding of the 2004 tranches of each sector plan, submitted by UNDP; and a sector plan for phase-out of the remaining consumption of CFCs, CTC and TCA in the solvent sector, submitted by UNIDO.

165. As a result of decisions 42/38 and 42/39, all of the above sector plans had been incorporated into a national phase-out plan that would address the consumption of all CFCs in Indonesia in addition to the total consumption of TCA and CTC, with UNDP as the lead implementing agency. It did not cover 30.1 ODP tonnes of CFCs used in the pharmaceutical aerosols sector, and it was noted that the Government of Indonesia could submit a request for the phase-out of this CFC consumption to a future meeting of the Executive Committee. The proposals relating to the aerosol, foam and solvent sectors had no cost or eligibility issues, and the Secretariat was recommending approval of the overall draft agreement for the national CFC phase-out plan. However, information relating to verification of consumption limits or phase-out under the former refrigeration plan had not been provided with the project submission. UNDP had indicated its intention to provide a supplementary performance verification report prior to the 44th Meeting but had not been in a position to do so.

166. Following a discussion, the Executive Committee decided:

- (a) To approve the Agreement between the Government of Indonesia and the Executive Committee for the national CFC phase-out plan in Indonesia contained in Annex XI to the present report;
- (b) To approve funding of the national strategy for phasing out the use of CFCs in the aerosol sector in Indonesia at a total cost of US \$595,910 plus agency support costs of US \$41,333 to UNDP and the World Bank as a part of the national plan for CFC phase-out in Indonesia, with the following breakdown:
- (i) US \$224,000 plus agency support costs of US \$13,440 to UNDP for the conversion from CFC to hydrocarbon aerosol propellants at P. T. Yulia (retroactive funding); and

- (ii) US \$371,910 plus agency support costs of US \$27,893 to the World Bank for implementation of the technical assistance programme and the project management unit under the National Ozone Unit;
- (c) To note that no additional funds would be available from the Multilateral Fund for the phase-out of CFCs in the aerosol sector except for 30.1 ODP tonnes of CFCs that were currently used in the pharmaceutical aerosol sector, including MDIs. The Government of Indonesia could submit a request for the phase-out of that CFC consumption to a future meeting of the Executive Committee;
- (d) To approve the balance of US \$1,625,000 plus support costs of US \$121,875 to the World Bank for the 2004 tranche of the foam sector phase-out plan, and to request the World Bank to follow the format proposed in the foam sector project document for its annual reporting on the foam sector component of the national phase-out plan;
- (e) To approve the 2005 refrigeration sector annual programme and the requested tranche at the amount of US \$2,262,000 and agency support costs of US \$200,300 for UNDP; and US \$1,347,300 plus support costs of US \$119,937 for the World Bank;
- (f) To approve funding of US \$1,464,733, plus support costs of US \$108,974 for UNIDO for the terminal project for phase-out in the solvent sector as part of the national plan for CFC phase-out in Indonesia;
- (g) To note that disbursement of the funding approved for UNDP and the World Bank for the refrigeration sector referred to at (e) above should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the refrigeration sector plan had been completed through the provision of appropriate verification reports and agreement between the Secretariat and relevant agencies on their contents;
- (h) To request the Secretariat to report to the Executive Committee should further guidance on verification procedures be necessary; and
- (i) To further request the Secretariat to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.

**(Decision 44/39)**

Nigeria: National CFC phase-out plan (third tranche) (UNDP, UNIDO, and Japan)  
(UNEP/OzL.Pro/ExCom/44/50)

167. The representative of the Secretariat indicated that UNDP had submitted on behalf of the Government of Nigeria the annual report on activities in 2003-2004, the 2005 annual

implementation plan and a request for funding of the third tranche of the phase-out plan. He said that the second tranche had been approved at the 41st Meeting with the condition that UNDP made provision in the 2004 annual implementation programme for development of the methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years, as required under the Agreement on the national CFC phase-out plan (decision 41/57). However, no independent audit system had been established. Additionally, it appeared from the 2003 progress report that the requirement in the Agreement for verification of established targets had not been fully complied with.

168. Following a discussion, the Executive Committee decided:

- (a) To approve the 2005 annual implementation plan and the third funding tranche at the amount of US \$2,077,141 plus support costs of US \$183,863 for UNDP;
- (b) To note that disbursement of the funding should not commence until the requirements of decision 41/57 had been met and verification of the 2003 sectoral consumption limits and related annual phase-out specified in the national CFC phase-out plan had been completed through the provision of appropriate verification reports and agreement between the Secretariat and UNDP on their contents;
- (c) To request the Secretariat to report to the Executive Committee should further guidance on verification procedures be necessary; and
- (d) To further request the Secretariat to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.

**(Decision 44/40)**

### Compliance

Bosnia and Herzegovina: National ODS phase-out plan: second tranche (UNIDO)  
(UNEP/OzL.Pro/ExCom/44/28)

169. The representative of the Secretariat indicated that UNIDO had submitted on behalf of the Government of Bosnia and Herzegovina the 2004 progress report, the 2005 annual implementation plan and a request for funding of the second tranche of the national ODS phase-out plan for Bosnia and Herzegovina. The phase-out plan had been approved in December 2003 at the 41st Meeting of the Executive Committee, taking into account the plan of action approved at the Fifteenth Meeting of the Parties (decision XV/30). The representative also drew the members' attention to the country's non-compliance with decision XV/30 on establishing the import licensing system by 2004 and with the TCA freeze in 2003. The issue of non-compliance with the TCA freeze had been addressed at the Sixteenth Meeting of the Parties (decision XVI/20), when Bosnia and Herzegovina had been requested to prepare, for the next

Implementation Committee Meeting in 2005, a plan of action with time-specific benchmarks to ensure a prompt return to compliance.

170. The representative of UNIDO said that a communication from the Government of Bosnia and Herzegovina had been received describing the difficulties involved in adopting the licensing system at the state level, and explaining that the TCA consumption target for 2003 had not been met because consumption forecasts had been underestimated for that year, which was the year of approval for that project.

171. Following the discussion, the Executive Committee decided:

- (a) To approve the 2005 annual work programme and the second tranche at the amount of US \$295,860 and supports costs of US \$22,190 for UNIDO, without prejudice to the operation of the Protocol's non-compliance mechanism; and
- (b) To request UNIDO to withhold disbursement of US \$19,019 until TCA consumption targets had been met and the country's licensing system had been established.

**(Decision 44/41)**

Nepal: Implementation of the refrigerant management plan (UNDP)  
(UNEP/OzL.Pro/ExCom/44/49)

172. The representative of the Secretariat indicated that, on behalf of the Government of Nepal, UNDP had submitted a proposal for implementation of a refrigerant management plan to meet the 2005 and 2007 CFC compliance targets of the Montreal Protocol. The representative noted that a decision regulating the handling of seized CFCs and the respective plan of action had been approved at the Sixteenth Meeting of the Parties (decision XVI/27). With that aspect resolved, there were no outstanding issues.

173. The Executive Committee decided to approve the project with associated support costs at the level of funding indicated in Annex III to the present report, on the understanding that:

- (a) The Government of Nepal would have flexibility in utilizing the resources available under the technical assistance programme for recovery and recycling and retrofit in the refrigeration servicing sectors, to address specific needs that might arise during project implementation;
- (b) To the extent possible, the technical assistance programme would be implemented in stages so that resources could be diverted to other activities, such as additional training, or procurement of service tools, if the proposed results were not achieved; and
- (c) UNDP would provide appropriate monitoring throughout project implementation.

**(Decision 44/42)**

Philippines: Technical assistance for a national methyl bromide phase-out strategy (World Bank) (UNEP/OzL.Pro/ExCom/44/53)

174. The representative of the Secretariat indicated that the Government of the Philippines had submitted a project proposal to phase out 9 ODP tonnes of methyl bromide, representing the total consumption of controlled uses of methyl bromide in the Philippines. At the Sixteenth Meeting, the Parties had agreed to change the Philippines' methyl bromide consumption baseline, which meant that the Philippines was now in compliance (decision XVI/31).

175. Following a discussion, the Executive Committee decided to approve the project proposal at the amount of US \$330,000 plus support costs of US \$24,750 for the World Bank, on the understanding that this project would phase out all remaining controlled uses of methyl bromide and that the Government of the Philippines would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

**(Decision 44/43)**

Thailand: National methyl bromide phase-out plan (first tranche) (World Bank) (UNEP/OzL.Pro/ExCom/44/58)

176. The representative of the Secretariat indicated that the Government of Thailand had submitted a national phase-out plan to phase out 241.8 ODP tonnes, representing the total consumption of controlled uses of methyl bromide in Thailand. At the Sixteenth Meeting, the Parties had agreed to change Thailand's methyl bromide baseline (decision XVI/31). However, the change still did not bring Thailand's methyl bromide consumption within the new baseline level. The decision taken by the Executive Committee regarding the national phase-out plan would be without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non compliance.

177. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the national methyl bromide phase-out plan for Thailand at a total level of funding of US \$2,901,600 plus agency support costs of US \$217,620 for the World Bank, noting that approval was without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance;
- (b) Also to approve the Agreement between the Government of Thailand and the Executive Committee contained in Annex XVII to the present document; and
- (c) Further to approve funding of US \$546,991 plus support costs of US \$41,024 for the World Bank for the first tranche of the phase-out plan.

**(Decision 44/44)**

Other issues

Morocco: Phase-out of methyl bromide used for soil fumigation in tomato production: project re-orientation proposal (request for change of technology) (UNIDO) (UNEP/OzL.Pro/ExCom/44/46)

178. The representative of the Secretariat indicated that, at the 34th Meeting, the Government of Morocco had submitted a project proposal for the phase-out of 390 ODP tonnes of methyl bromide used for soil fumigation in tomato production. Subsequently, the Executive Committee decided to approve in principle US \$3,957,844 as the total funding that would be available to Morocco for implementation of the project, and also approved the first tranche of the project at US \$400,000. No subsequent tranches had been requested. Implementation of the project had been delayed due to difficulties in applying some of the selected alternative technologies. On behalf of the Government of Morocco, UNIDO had submitted a report with a request for a change in technology. The total cost of the revised project was US \$3,912,948, which was US \$44,896 lower than the cost of the original project. The revised date for project completion was 2009.

179. The representative of UNIDO explained that the introduction of grafting technology to replace the original steam technology would require funding for the first tranche to be proportionally higher, although the overall cost of the project would be lower. He therefore requested, on behalf of Morocco, that the amount allocated for the first tranche be increased to US \$1 million, and that the remaining US \$600,000 of that tranche (since US \$400,000 had already been allocated) be approved at the present Meeting.

180. Following a discussion, the Executive Committee decided:

- (a) To approve the change of the technologies in the project for the phase-out of methyl bromide for soil fumigation in tomato production in Morocco;
- (b) To approve the revised Agreement between the Government of Morocco and the Executive Committee as contained in Annex XVIII to the present report, that would:
  - (i) Include a revised completion date of 2009;
  - (ii) Reduce the overall cost approved in principle from US \$3,957,844 to US \$3,912,949;
- (c) To note that, in 2001, US \$400,000 plus support costs of US \$52,000 for UNIDO had been approved for the implementation of the tomato sector project as part of the overall methyl bromide phase-out project; and

- (d) To approve the balance of the first tranche of the revised project at the amount of US \$607,513 plus support costs of US \$45,563 for UNIDO.

**(Decision 44/45)**

Viet Nam: National CFC and halon phase-out plan (World Bank)  
(UNEP/OzL.Pro/ExCom/44/61)

181. The representative of the Secretariat indicated that the World Bank had submitted a national CFC and halon phase-out plan on behalf of the Government of Viet Nam. The plan would lead to the final phase-out of CFCs and halons in the country by 2010. It consisted of activities in the foam, refrigeration servicing, halon and MDI sectors. The content and costing of the limited activities planned for the foam and MDI sectors had been agreed by the World Bank and the Secretariat. Additional funding for the halon sector would be provided as per decision 44/8 (a) taken earlier during the Meeting.

182. The funding request for the main part of the phase-out plan, the refrigeration servicing component, was based on phase-out of more than 200 ODP tonnes. At the 34th Meeting of the Executive Committee, Viet Nam had already requested and received approval for funding of a refrigerant management plan. Under that plan, the country had committed to a CFC phase-out of 50 per cent in 2005 and 85 per cent in 2007 without further funding, resulting in a much lower level of consumption remaining to be addressed.

183. The World Bank, however, had considered that decision 31/48 on refrigerant management plans was not applicable to Viet Nam, which was not a low-volume-consuming country. Instead, the World Bank considered that the funding should cover phase-out of the remaining eligible consumption of 191 ODP tonnes.

184. Following a discussion, the Executive Committee established a contact group, which met and discussed the persistent high consumption of CFCs in Viet Nam, which could result in non-compliance, the activities approved in the past, the phase-out plan proposed by the World Bank, its costing and possible conditions that could be attached to a project.

185. After considering the report by the contact group, the Executive Committee decided:

- (a) To approve the national CFC and halon phase-out plan in principle, at a funding level of US \$1,260,000 plus agency support costs of US \$94,500 to the World Bank, with the following conditions:
- (i) The Government of Viet Nam was committed to achieving complete phase-out of CFCs, halons, CTC and TCA in the country, without further requests for funding from the Multilateral Fund, and at least according to the reduction schedule of the Montreal Protocol;
  - (ii) The World Bank would submit a revised proposal for a phase-out plan at least 10 weeks before the 45th Meeting of the Executive Committee. The project proposal should be at the level of funding indicated above, be

closely related to the phase-out plan submitted previously, and include a draft Agreement between the Government of Viet Nam and the Executive Committee with verifiable consumption targets; and

- (iii) The World Bank would start non-administrative activities in Viet Nam directly related to ODS phase-out within eight months of approval of funding of the first tranche of the project. Commencement of such activities would be reported as part of the annual reporting.

**(Decision 44/46)**

Antigua and Barbuda: CFC phase-out plan (World Bank)  
(UNEP/OzL.Pro/ExCom/44/24)

186. The representative of the Secretariat said that the World Bank had submitted a CFC phase-out management plan for Antigua and Barbuda on behalf of that country's Government. The plan would lead to the final phase-out of CFCs in the country by the year 2009 and assist Antigua and Barbuda to meet its 2007 compliance target for CFC consumption. He explained that Antigua and Barbuda operated a licensing system based on an agreement between the different stakeholders. It appeared to be effective as a result of close cooperation between the National Ozone Unit, industry and customs, with the customs service providing essential cross-checking of data. While decision 38/64, requesting the country to have a licensing system in operation and to have enacted or improved legislation to phase out ODS consumption, had not been fulfilled to the letter, the amounts to be licensed and the involvement of customs in the same role as under a legally-established system might be interpreted as fulfilling the intent of the decision.

187. One representative said that the National Ozone Unit of Antigua and Barbuda had confirmed that the country was in fact using its External Trade Act, rather than environmental legislation, to control trade in ODS and related equipment.

188. Following a discussion, the Executive Committee decided:

- (a) To approve the phase-out plan in principle with the understanding that:
  - (i) The total level of funding of the CFC phase-out management plan for Antigua and Barbuda was US \$97,300 plus support costs to the World Bank of US \$8,757 to be disbursed in two tranches. That was the total funding that would be available to the Government of Antigua and Barbuda from the Multilateral Fund for the complete elimination of all CFCs in Antigua and Barbuda;
  - (ii) The Government of Antigua and Barbuda committed itself to the phased reduction and complete phase-out of the consumption of CFCs in Antigua and Barbuda, according to the following phase-out schedule, which was at a minimum consistent with the Montreal Protocol's control measures:

Year	2005	2006	2007	2008	2009	2010
Annual CFC (ODP tonnes)	1.8	1.4	1.0	0.5	0	0

- (iii) The second tranche would be requested at the last meeting in 2006. The Executive Committee would not be obliged to approve the second tranche unless Antigua and Barbuda had met the targets specified under subparagraph (a)(ii), and had presented a report concerning activities undertaken as well as a work plan for the implementation of the remaining phase-out;
  - (iv) The Government of Antigua and Barbuda agreed that no additional resources would be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of CFCs. The Executive Committee agreed to provide Antigua and Barbuda with flexibility in using the agreed funds consistent with operational procedures as agreed between Antigua and Barbuda and the World Bank in the CFC phase-out management plan;
  - (v) The Government of Antigua and Barbuda 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; and
  - (vi) The World Bank would be responsible for reporting annually on the implementation of activities funded under the CFC phase-out management plan for Antigua and Barbuda and would provide a report, including customs data, to the Executive Committee annually on the reduction of CFC consumption; and
- (b) The Executive Committee approved US \$69,400 plus support costs of US \$6,246 for the World Bank for the first biannual implementation programme.

**(Decision 44/47)**

Chile: Phase-out of all remaining uses of methyl bromide in soil application (World Bank) (UNEP/OzL.Pro/ExCom/44/32 and Corr.1)

189. The representative of the Secretariat recalled that, at its 43rd Meeting, the Executive Committee had considered a progress report on the implementation of the phase-out project for methyl bromide in fruit tree production and replant submitted by UNDP. According to preliminary figures included in the report, the 2003 consumption in Chile had been more than 60 ODP tonnes above the compliance baseline, and almost 105 ODP tonnes above the maximum allowable consumption of controlled uses of methyl bromide as stipulated in the agreement between the Government of Chile and the Executive Committee.

190. The Executive Committee had also noted the Government's commitment to return to compliance and its undertaking to present a plan of action for that purpose to the 44th Meeting. On that basis, the Government of Chile had developed a strategy and an action plan for a prompt return to compliance with its methyl bromide consumption levels. It had also requested assistance from the World Bank to prepare a phase-out project to support the proposed methyl bromide phase-out strategy and action plan.

191. During its review of the document submitted by the World Bank, the Secretariat had pointed out a number of significant issues related to both the strategy and the project proposal that required additional clarification. The World Bank had advised the Secretariat that it would require additional time to address the outstanding issues and, in consultation with the Government of Chile, had agreed to withdraw the strategy and action plan together with the project proposal.

192. Following a discussion, the Executive Committee decided:

- (a) To take note of the progress report on the status of development of the methyl bromide phase-out plan by the Government of Chile;
- (b) To request the World Bank to submit to the 45th Meeting a national plan for complete phase-out of controlled uses of methyl bromide in Chile, including the demonstration and phase-out project for methyl bromide soil fumigation for fruit tree production and replant currently being implemented by UNDP; and
- (c) To agree that the non-submission of the project proposal for the phase-out of all the remaining uses of methyl bromide in soil applications should not be taken into consideration in assessing performance against the relevant World Bank business plan targets for 2004, and that the project could be submitted as a national plan for complete phase-out of controlled uses of methyl bromide in Chile as part of the World Bank's 2005 business plan.

**(Decision 44/48)**

China: Refrigeration servicing sector CFC phase-out plan (first tranche) (Japan and UNIDO) (UNEP/OzL.Pro/ExCom/44/33, Add.1 and Add.1/Corr.1)

193. The representative of the Secretariat introduced the project, noting that it had been prepared by the Government of Japan and UNIDO and submitted by UNIDO on behalf of the Government of China. The incremental costs of the sector plan had been discussed and agreed between the Secretariat and UNIDO. The only outstanding issue was how the verification requirement for the CFC consumption and reduction targets in the agreement between the Government of China and the Executive Committee could be implemented. It had been agreed that the monitoring, verification and reporting of CFC phase-out in the refrigeration servicing sector in China would be extremely difficult, and thus the implementation of several of the provisions in the agreement would be problematic.

194. Consequently, the maximum sectoral consumption had not been specified as a verifiable target in the agreement. Instead, the agreement referred to the total national consumption limit for CFC-12 associated with the proposed accelerated phase-out plan and also to the levels of phase-out that were to be monitored under the proposed monitoring plan. As the remaining CFC-12 consumption was mostly in the refrigeration servicing sector, after making allowances for stockpiling and consumption in the MDI and pharmaceutical aerosols sector, the national CFC-12 consumption provided a good indication of consumption in the servicing sector.

195. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the refrigeration servicing sector CFC phase-out plan for China at a total level of funding of US \$7,885,000 plus agency support costs of US \$291,380 for UNIDO and US \$520,000 for Japan;
- (b) Also to approve the Agreement between the Government of China and the Executive Committee contained in Annex XIV to the present report; and
- (c) To approve US \$1,000,000 plus support costs of US \$75,000 for UNIDO and US \$1,000,000 plus support costs of US \$130,000 for Japan for implementation of the 2005 annual programme of the national CFC phase-out plan.

**(Decision 44/49)**

Kenya: Terminal CFC phase-out management plan (France)  
(UNEP/OzL.Pro/ExCom/44/41/Add.1)

196. The representative of the Secretariat introduced the project, noting it had initially been submitted by the Government of Germany. However, following discussion about the level of Germany's bilateral cooperation funding for the 2002-2003 triennium, it had been taken over by the Government of France. The relevant documentation had been received by the Secretariat.

197. The incremental cost of the terminal CFC phase-out management plan had been agreed in discussions between Germany and the Secretariat during the review process. The remaining issue was the applicability of decision 38/64, which stipulated that specific requests for funding of terminal CFC phase-out plans for LVC countries might be considered on a case-by-case basis, provided that the country concerned had a licensing system in operation and had enacted or improved legislation to phase out ODS consumption.

198. While general legislation relating to protection of the ozone layer and ODS phase-out had been adopted in 1999, Kenya's ODS regulations had not yet been approved by the Government. The Government of Germany had indicated that a licensing system had been operating in Kenya on a voluntary basis since 2003 and that the package of ODS regulations currently being considered by the Government of Kenya would not add any new concepts, but merely formalize what was already being implemented. Compliance with decision 38/64 therefore remained unclear.

199. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the terminal CFC phase-out management plan for Kenya at a total level of funding of US \$725,000 plus agency support costs of US \$94,250 for France;
- (b) To approve the Agreement between the Government of Kenya and the Executive Committee contained in Annex XV to the present document;
- (c) To approve funding of US \$215,914 plus support costs of US \$28,069 for France for the first tranche of the project; and
- (d) That the disbursement of the first tranche would be contingent upon confirmation of the adoption of ODS regulations by the Government of Kenya to provide a legal basis for the existing licensing system and enable introduction of independent auditing and verification.

**(Decision 44/50)**

Zimbabwe: Terminal phase-out management plan for CFCs (first tranche) (Germany)  
(UNEP/OzL.Pro/ExCom/44/62)

200. The representative of the Secretariat reported that the Government of Zimbabwe had submitted a terminal phase-out management plan for CFCs, at a cost of over US \$2.6 million for the phase-out of 357 ODP tonnes of CFCs. On the basis of decision 35/57, the remaining CFC consumption eligible for funding for Zimbabwe was 418.1 ODP tonnes. However, due to the economic constraints prevailing in Zimbabwe over the past five years, ODS consumption had decreased significantly, to 129 ODP tonnes in 2002 and 118 ODP tonnes in 2003. Although the phase-out plan as submitted had been developed to address the phase-out of 357 ODP tonnes of CFCs, representing the level of consumption expected under normal economic circumstances, the incremental costs of the plan could only be based on the current level of consumption.

201. Based on its review of the CFC phase-out plan for Zimbabwe, the Secretariat had suggested to the Government of Germany, as the lead implementing agency, that the project should be redeveloped as a two-phase proposal. Activities to develop and implement the licensing system, train customs officers and refrigeration technicians, and implement a technical assistance programme in the refrigeration servicing sector, could be implemented during Phase I, covering the period 2004 to 2006.

202. At the end of Phase I, the Government of Zimbabwe, through the Government of Germany, would submit a report on the activities undertaken and the results achieved. It would also report on the remaining level of CFC consumption to be phased out to meet the 2007 and 2010 control measures. The Government of Zimbabwe could then prepare and submit Phase II of the project to achieve the 2007 phase-out level and complete CFC phase-out in the servicing sector by 2010. The Government of Germany had agreed to redesign the project proposal on the basis of the suggestions made by the Secretariat.

203. Following a discussion, the Executive Committee decided to approve Phase I of the terminal CFC phase-out management plan for Zimbabwe at a total level of funding of

US \$280,000 plus agency support costs of US \$36,400 for the Government of Germany, subject to the following conditions:

- (a) Zimbabwe would achieve at least the 2005 Montreal Protocol CFC reduction target without further assistance from the Multilateral Fund; and
- (b) In 2006, the Government of Zimbabwe would submit a comprehensive report on the implementation of Phase I together with a request for Phase II of the project to achieve complete CFC phase-out in the servicing sector. Phase II would contain activities best suited to the circumstances and needs of the country identified at that time. The progress report should include the activities undertaken and the results achieved, the amount of CFCs permanently phased out and the remaining level of consumption to be phased out.

**(Decision 44/51)**

## **AGENDA ITEM 8: COUNTRY PROGRAMMES**

### Cape Verde

204. The representative of the Secretariat introduced the country programme for Cape Verde, (UNEP/OzL.Pro/ExCom/44/63), explaining that it comprised two requests: one for additional funding for the institutional strengthening project for which the Executive Committee had approved funding for one year at its 36th Meeting; and another for a refrigerant management plan project proposal. Both projects had already been approved by the Executive Committee under agenda item 7.

205. Following a discussion, the Executive Committee decided:

- (a) To approve the country programme for Cape Verde contained in document UNEP/OzL.Pro/ExCom/44/63, noting that approval of the country programme did not denote approval of the projects identified therein nor their funding levels; and
- (b) To request the Government of Cape Verde 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 December 2004 to 31 December 2005, should be submitted to the Fund Secretariat no later than 1 May 2006.

**(Decision 44/52)**

Sao Tome and Principe

206. The representative of the Secretariat introduced the country programme for Sao Tome and Principe (UNEP/OzL.Pro/ExCom/44/64), explaining that it comprised two requests: one for additional funding for the institutional strengthening project for which the Executive Committee had approved funding for one year at its 38th Meeting; and another for a refrigerant management plan project proposal. Both projects had already been approved by the Executive Committee under agenda item 7.

207. Following a discussion, the Executive Committee decided:

- (a) To approve the country programme for Sao Tome and Principe contained in document UNEP/OzL.Pro/ExCom/44/64, noting that approval of the country programme did not denote approval of the projects identified therein nor their funding levels; and
- (b) To request the Government of Sao Tome and Principe 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 December 2004 to 31 December 2005, should be submitted to the Fund Secretariat no later than 1 May 2006.

**(Decision 44/53)**

**AGENDA ITEM 9: ACCOUNTS OF THE MULTILATERAL FUND****(a) 2003 accounts**

208. The Treasurer presented the 2003 accounts of the Multilateral Fund, which formed part of the UNEP financial statements and were contained in document UNEP/OzL.Pro/ExCom/44/65/Rev.1. He explained that the basis of the Multilateral Fund accounts were the audited financial statements and provisional reports provided by the implementing agencies. Given the time delays in receipt of audited statements, provisional data were provided in the current year and revised through adjustments in the following year, when audited accounts became available. The Treasurer was now in receipt of all the necessary audited statements for 2002-2003, with the exception of the World Bank 2003 records, which were to be forwarded in the course of December 2004.

209. The Board of Auditors had highlighted three issues as suggested actions in its management letter on the audited 2002-2003 accounts. The Treasurer drew attention in particular to the first item involving the practice of recording changes reported by the implementing agencies to expenditures for the previous period as part of the current period transactions. That practice had been used since the inception of the accounts and had never been raised as an audit recommendation. While the auditors were obliged to make reference to

standard accounting practices, it should be noted that there was general agreement that the approach taken was appropriate and by far the most transparent means of accommodating the situation. To that end, the Board had suggested that it would be helpful if the Executive Committee could give explicit approval of the practice.

210. After some discussion of the issue of cash advances made to implementing agencies before prior advances had been fully utilized, during which the Treasurer recalled that there had been agreement between the implementing agencies and the Executive Committee that such a practice would expedite project implementation; and understanding that the possibility of late reporting would always exist due to the overlap in the closing dates for accounts in UNEP and in the other implementing agencies, the Executive Committee decided:

- (a) To take note of the report on the 2003 accounts of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/44/65/Rev.1;
- (b) To continue with the particular practice of recording any changes reported by implementing agencies to a previous period's expenditures as part of the current period's transactions as a result of the reconciliation exercise between the Treasurer and the implementing agencies, without prejudice to existing United Nations financial rules and regulations;
- (c) To note that, notwithstanding UNEP's policy regarding its own fund to the effect that any pledges to the Fund remaining unpaid after four years were written off with the approval of the Governing Council, in the case of the Multilateral Fund, any decision on writing off such unpaid amounts would remain the responsibility of the Meeting of the Parties; and
- (d) To direct the Treasurer to review the pertinent aspects of the implementing agency agreements to address the issue of new cash advances being granted to implementing agencies when old ones had not been fully accounted for.

**(Decision 44/54)**

**(b) Reconciliation of the 2002 and 2003 accounts (follow-up to decision 43/39)**

211. The representative of the Secretariat presented the documents on reconciliation of the 2002 and 2003 accounts (UNEP/OzL.Pro/ExCom/44/66, Corrs.1 and 2), which addressed the issues pending from the 43rd Meeting of the Executive Committee, together with differences in financial reporting between the implementing agencies and the Secretariat and differences in the financial reporting of the agencies. It was pointed out that the Treasurer's reconciliation of accounts was an ongoing process to ensure accurate recording of agency accounts and that sufficient funds were advanced to agencies to cover the net approvals of the Executive Committee. No decision was required on the part of the Executive Committee for such ongoing adjustments.

212. After some discussion about the need for ongoing adjustments to the accounts, it was agreed that, when there was no disagreement on the adjustments made, Executive Committee

approval need not be sought, although there should still be a report on the reconciliation of accounts.

213. The representative of the World Bank, supported by the representative of UNDP, agreed that adjustments should be made on an ongoing basis but suggested that the cooperation between the Treasurer, the implementing agencies and the Secretariat should be enhanced by use of common methods and terms for regular reporting and accounting and by a clear definition of roles and responsibilities. A common approach to tracking and sharing information on resource flow would minimize potential differences and save time. He sought Executive Committee support for the approach and for guidelines on the roles and responsibilities of all stakeholders, including bilateral agencies. Such guidelines might be drawn up during a workshop.

214. After representatives had expressed support for the suggestion of the World Bank to hold a workshop, the Executive Committee decided:

- (a) To note the reconciliation of the 2002 and 2003 accounts presented in documents UNEP/OzL.Pro/ExCom/44/66, Corrs.1 and 2;
- (b) To request the Treasurer to make the necessary adjustments in accordance with his ongoing responsibility to ensure sufficient funds to cover Executive Committee approvals;
- (c) To request those bilateral agencies that advanced funds to implementing agencies, which were then placed in interest-bearing accounts, to return the interest collected as additional income to the Multilateral Fund in accordance with United Nations standard accounting practices, unless their agreements with implementing agencies stipulated otherwise; and
- (d) To request the Treasurer, the implementing agencies and the Secretariat to hold a workshop in the margins of the next inter-agency coordination meeting on common terminology and procedures for the reconciliation of accounts and to forward the results of the workshop to the Executive Committee if deemed necessary by the workshop participants.

**(Decision 44/55)**

#### **AGENDA ITEM 10: REVISED 2005, 2006 AND PROPOSED 2007 BUDGETS OF THE FUND SECRETARIAT**

215. The Executive Committee considered the revised budgets of the Fund Secretariat for 2005 and 2006 and the proposed budget for the salary component for 2007, which were presented by the Secretariat in document UNEP/OzL.Pro/ExCom/44/67.

216. In answer to queries about the presentation of the budget, which showed an apparent 37 per cent increase in operational costs, the representative of the Secretariat explained that the sum represented the usual practice of approving salaries one year in advance. Therefore, the

increase in the operational costs was nil in real terms, since the proposed operational costs for 2005 were at the same level as in 2004.

217. In response to a query about whether the proposed level of funding would be adequate to cover operational cost items, the representative of the Secretariat confirmed that the estimates had proved to be accurate; and any savings were returned to the Fund.

218. The Executive Committee decided to approve the following budget and salary components of the Fund Secretariat, contained in Annex XVI to the present report:

- (a) The revised 2005 budget of the Fund Secretariat totalling US \$3,867,547 to cover the 2005 salary component of the budget already approved at the 41st Meeting of the Executive Committee and the operational costs of the Secretariat as well as the cost of the upgrade of a GS post from G5 to G7;
- (b) The revised 2006 salary component of the budget totalling US \$2,563,624 with an increase of 0.5 per cent as a result of the upgrade of a GS post from G5 to G7; and
- (c) The proposed 2007 salary component of the budget totalling US \$2,676,214.

**(Decision 44/56)**

**AGENDA ITEM 11: TREATMENT/ENCASHMENT OF PROMISSORY NOTES  
(FOLLOW-UP TO DECISIONS 41/4 AND 42/44)**

219. At the 43rd Meeting, the Executive Committee had considered a report on the treatment/encashment of promissory notes (UNEP/OzL.Pro/ExCom/43/54 and Add.1), prepared in response to decisions 41/4 and 42/44, and had agreed to consider the document further at its 44th Meeting.

220. On the one hand, it was considered that issues linked to the treatment and encashment of promissory notes were best dealt with on a bilateral basis between countries and the Treasurer to ensure that the system worked as effectively as possible. On the other, the view was expressed that bilateral treatment alone would leave too much room for compromise and would sacrifice equity.

221. Following a discussion, the Executive Committee took note of the recommendations contained in the report by the Treasurer on the treatment/encashment of promissory notes.

**AGENDA ITEM 12: REPORT ON OPERATION OF THE EXECUTIVE COMMITTEE WITHOUT SUB-COMMITTEES AND POTENTIAL FOR AN INTERSESSIONAL APPROVAL PROCEDURE (FOLLOW-UP TO DECISIONS 41/92 AND 43/3 (c))**

222. The representative of the Secretariat introduced the report contained in document UNEP/OzL.Pro/ExCom/44/69, which had been produced in response to the mandate provided in decisions 41/92 and 43/3 (c).

223. The Secretariat had assessed the operation of the Executive Committee in the first two meetings in 2004 following the decision by the Executive Committee at its last meeting in 2003 to eliminate the sub-committees and discuss all matters in plenary. Representatives expressed the view that the new arrangement was an improvement on the old system.

224. The Secretariat had also examined whether the Executive Committee could hold two meetings instead of three each year, and had explored the possibility of introducing a procedure for dealing with certain projects and activities intersessionally.

225. Several representatives thanked the Secretariat for its hard work in preparing the report and agreed that it provided a number of issues for consideration. Some representatives, however, felt that they needed more information about the future workload of the Executive Committee before they could decide whether or not to reduce the number of meetings per year. One representative requested the Secretariat to produce another policy paper addressing the future challenges of the Executive Committee.

226. Many representatives said that they would prefer more time to consider the issue and, given that the need for endorsement by the Meeting of the Parties would preclude introduction of a new system before 2006, it was suggested that the issue be on the agenda of future meetings of the Executive Committee. One representative suggested amending the Rules of Procedure of the Executive Committee to state that there would be "at least two" meetings a year. It was noted that the terms of reference for the Executive Committee, as amended in 1997, required the Executive Committee to hold three meetings per year.

227. Another representative stressed that if there were to be only two meetings then annual business plans ought to be approved at the last meeting of the year preceding their implementation. Furthermore, he suggested that a list of projects in the pipeline be drawn up by the Secretariat to give Executive Committee members an idea of which projects might come up for approval. Several representatives felt that the Executive Committee's workload was still too high to consider reducing the number of meetings.

228. One representative pointed out that, as well as considering the effect of fewer meetings on the workload of the Executive Committee, the resulting financial implications should also be taken into account. Two meetings would certainly incur less expense than three, but there might be a need for more Secretariat staff to cope with an increase in the intersessional workload. Holding meetings back-to-back with other meetings was also cost-effective.

229. It was agreed that a mechanism would be required to deal with projects and activities during the intersessional period. One representative pointed out that a longer period between

meetings could have repercussions on compliance if projects for countries at risk of non-compliance had to wait for approval until the next meeting.

230. The possibility of delegating more responsibility to the Secretariat was considered, but there was disagreement as to the extent to which that should be done. One representative suggested delegating authority not to the Secretariat but to the Chief Officer. Several representatives made it clear that ultimate responsibility should always remain with the Executive Committee. Many thought that the current interim procedure – whereby members were given the opportunity to comment on a project, which was then approved if there were no objections – was a good basis for a new interim procedure. That procedure, however, would need to be discussed at future meetings.

231. Following the discussion, the Executive Committee decided:

- (a) To renew the arrangement by which the work of the Executive Committee took place in plenary rather than in sub-committees;
- (b) To continue discussing, throughout 2005, the issues of reducing the number of Executive Committee meetings and establishing a procedure for intersessional approval;
- (c) Also to request the Secretariat to produce a document compiling the views of Executive Committee members and providing an estimate of the financial implications of various scenarios; and
- (d) To request interested Parties and implementing agencies to submit comments in writing, by 4 February 2005, for incorporation into the document to be prepared by the Secretariat.

(Decision 44/57)

**AGENDA ITEM 13: CRITERIA FOR THE ASSESSMENT OF THE PROGRESS REPORTS AND VERIFICATION AUDITS OF MULTI-YEAR AGREEMENTS (FOLLOW-UP TO DECISION 43/38)**

232. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/44/70, noting that the topic related to several of the agenda items that had already been discussed, notably the one on the Executive Committee's future method of operation. Since future work of the Executive Committee would probably need to focus more on monitoring the progress of already approved projects, this document was intended to address the development of a new tool to facilitate the monitoring stage.

233. Several representatives emphasized that it would be difficult and costly in terms of human resources, finance and time to comply with the data requirements for monitoring the success of refrigerant management plans. Compiling the additional information would add further to the workload of the already overburdened National Ozone Units and would hamper

implementation of projects. Other representatives noted overlap with the existing reporting requirements for verification of specific projects. The document also did not specify the scope of certain items of information required. The proposed reporting format included certain substances, such as HCFCs, for which no baseline figures existed and requested reporting on regulations that did not exist in some countries.

234. One representative noted the added difficulty of obtaining the required data in countries where there was a large informal sector and suggested that amounts of ODS should be reported in metric tonnes and not in ODP tonnes so as to avoid the introduction of errors.

235. There should be a minimum number of reporting obligations applicable to all countries, some of which would be mandatory in agreements between the country and the Fund and some voluntary. If the objective of verification was to inform the Executive Committee of problems encountered, certain criteria might pertain only to countries at risk of non-compliance.

236. The requirement for verification by an external auditing institution was questioned by several representatives, who drew attention to the financial implications and the difficulty for an external institution of gaining access to internal government information, and it was emphasized that the capability of national auditing firms in developing countries should not be underestimated.

237. One representative considered that compilation of information for the report would be burdensome in the first year, but annual updating thereafter would be much less onerous. The representative of the World Bank pointed out that multi-year agreements with medium and large-volume consuming countries were already being verified. The representative of UNEP recognized the need for annual reporting on refrigerant management plans and suggested that minimal changes be made to the reporting requirements for low-volume-consuming countries. The performance indicators should be revised on the basis of countries' experience in sustaining compliance. The representative of UNDP emphasized that the new reporting and verification requirements would indeed have implications in terms of cost and workload, which should be clearly understood as guidelines had a tendency to become rules. The representative of UNIDO added that the implementing agencies accepted the need for guidance. Uniform reporting would be valid for large groups of projects and for acceptance by the Executive Committee and the Parties.

238. The representative of the Secretariat said that a new version of the document would be prepared taking into account the comments made. He stressed that there were two sets of criteria, those for low-volume-consuming countries (LVCs) and those for non-low-volume-consuming countries (non-LVCs), and the concept of verification, for example, did not apply to LVCs.

239. Agreeing that there could be difficulties in collecting data on recycled and reused CFCs, he clarified that estimated figures should be sufficient to ascertain whether there had been an increase in the amount of recovered CFCs over the course of time. On retail prices of ODS, estimates could suffice.

240. Responding to a concern about potential conflict of interest, he pointed out that multi-year agreements typically provided that the implementing agency should arrange for an independent verification of results as a precondition to the release of the next tranche of funding. Many such agreements also provided for evaluation by the Secretariat's monitoring and evaluation function.

241. In response to concerns about demands on resources for data collection in LVCs, he said that the 43rd Meeting had decided to raise the minimum funding for institutional strengthening assistance to LVCs to US \$30,000 per year, which would allow the National Ozone Unit to employ one full-time officer whose primary responsibility would be data reporting.

242. With regard to the questions on the list of regulatory instruments in the annex to the document, the representative of the Secretariat confirmed that it did not constitute a mandatory requirement to have all of them in place but was simply a checklist of what was in place and the legal effects thereof. Stressing that the intention of the document was to develop guidelines and not to establish mandatory procedures, he welcomed a suggestion that the indicators might be separated into some that were common to a group of agreements and some that were optional.

243. Following the discussion, the Executive Committee decided:

- (a) To take note of the report on the criteria for the assessment of the progress reports and verification audits of multi-year agreements contained in document UNEP/OzL.Pro/ExCom/44/70;
- (b) To request the World Bank, in cooperation with the other implementing agencies and the Secretariat, to organize a one-day seminar on verification and data reporting, to be held in the margins of the 45th Meeting of the Executive Committee, with participation by some interested Parties; and
- (c) To request the Secretariat to revise the document in the light of the comments made at the 44th Meeting and of the outcome of the seminar referred to above and to present a revised text to the 46th Meeting.

**(Decision 44/58)**

**AGENDA ITEM 14: ANNUAL PROGRESS REPORT ON THE COMMUNICATION STRATEGY FOR GLOBAL COMPLIANCE WITH THE MONTREAL PROTOCOL (FOLLOW-UP TO DECISION 41/99 (c))**

244. The representative of UNEP introduced the annual progress report on the communication strategy for global compliance with the Montreal Protocol, in accordance with decision 41/99 (c) (UNEP/OzL.Pro/ExCom/44/71). After referring to the Executive Committee's promotion of a country-driven approach and UNEP's activities in support of compliance and maintaining momentum in that respect, he described future challenges and opportunities.

245. Following the presentation, the Executive Committee took note with appreciation of UNEP's 2004 annual report on the communication strategy for global compliance with the Montreal Protocol contained in document UNEP/OzL.Pro/ExCom/44/71.

#### **AGENDA ITEM 15: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR**

246. The representative of Canada, facilitator of the Subgroup on the Production Sector, gave a brief report on the work of the Subgroup, saying that more detail could be found in document UNEP/OzL.Pro/ExCom/44/72. The Subgroup had met four times during the week of the 44th Meeting of the Executive Committee, and had agreed to recommend for approval two major production sector phase-out projects: one on halon, CTC and CFC production in China at a cost of US \$10,000,000, which would complete phase-out of halons and CFCs by July 2007; and the other on phasing out CFC production in Venezuela at a cost of US \$16,500,000 to achieve phase-out by 1 January 2007, three years ahead of the Montreal Protocol deadline. The projects were submitted for approval in principle and for agreement to the first tranche of funding. The representative of Japan had queried whether the agreement for China provided adequate funding for capacity-building to enable smooth implementation of the acceleration and/or other activities in China, and had suggested that the matter be considered further in the process of implementation and in the light of the 2005 business plan to be submitted by his country. The Government of China had expressed its interest in benefiting from the cooperation of the Government of Japan in the field of capacity-building. It was also clarified that China would be allowed to submit the metered-dose inhalers (MDI) and non-MDI pharmaceutical projects in spite of the accelerated phase-out proposal. The Subgroup had also agreed to replenish the Secretariat's account for technical audits by the amount requested.

247. Following a discussion, the Executive Committee decided to approve:

- (a) In principle the agreement for the accelerated phase-out of CFC, CTC and halon 1301 production in China, attached as Annex XVII to the present report, at a funding level of US \$10 million and the associated cost of US \$750,000 for implementation by the United States of America;
- (b) For the accelerated phase-out of CFC, CTC and halon 1301 in China, the first tranche of US \$5 million and the associated support costs of US \$375,000 at the current meeting, and to credit US \$5 million plus agency support costs of US \$375,000 against the 2004 bilateral contribution of the United States of America;
- (c) In principle the agreement for the Venezuela production sector, attached as Annex XVIII to the present report, at a total funding level of US \$16.5 million for implementation by the World Bank and the first tranche of US \$3.3 million and the associated agency support costs of US \$247,500; and

- (d) US \$60,000 to supplement the Secretariat's account for the technical audit.

**(Decision 44/59)**

## **AGENDA ITEM 16: OTHER MATTERS**

### Evaluation and review of the financial mechanism of the Montreal Protocol

248. It was recalled that a decision of the Sixteenth Meeting of the Parties had called on the Executive Committee to consider the report of the 2004 evaluation and review of the financial mechanism of the Montreal Protocol with a view to adopting its recommendations, whenever appropriate, in the process of continuous improvement of the management of the Multilateral Fund, and bearing in mind the need to contribute to the assessment by the Technology and Economic Assessment Panel of the 2006-2008 replenishment of the Multilateral Fund.

249. The Executive Committee agreed to set up an informal working group, led by Argentina, to carry out an initial study of the recommendations in the report on the evaluation and review of the financial mechanism of the Montreal Protocol, and to categorize them as being for implementation in the short, medium or long term respectively.

250. The representative of Argentina, on behalf of the informal working group, reported that the group had felt able to consider 26 of the 28 recommendations contained in the report. Of the 26 considered, it had concluded that two recommendations had already been implemented, 15 were currently under implementation, five could feasibly be implemented in the short term, and four in the medium term. The remaining two recommendations on which the group felt unable to comment were the analysis of the effect of the fixed-exchange-rate mechanism on the Fund –which the group suggested should be dealt with by the Meeting of the Parties– and the hiring of an independent auditor in the event of accounting discrepancies. It was felt that it was not necessary to consider a procedure to address the latter issue and in the event that such an audit were required, it would be preferable to turn to the United Nations auditor's office for assistance.

251. Following a discussion, the Executive Committee decided:

- (a) To request the Secretariat to invite Executive Committee members, bilateral and implementing agencies, and the Treasurer to provide comments and to complete the column entitled "recommended action" in the table contained in Annex XIX to the present report, to compile the comments received, and to prepare a document for the 45th Meeting of the Executive Committee;
- (b) To invite Executive Committee members wishing to do so to provide comments on contributions for the assessment by the Technology and Economic Assessment Panel of the 2006-2008 replenishment of the Multilateral Fund;

- (c) To convene a contact group to meet during the 45th Meeting of the Executive Committee in order to draft a preliminary assessment report on the recommendations in the 2004 evaluation and review of the financial mechanism of the Montreal Protocol for the 25th Meeting of the Open-ended Working Group, based on the document prepared by the Secretariat; and
- (d) To consider the preliminary assessment report at the 45th Meeting.

**(Decision 44/60)**

Matters arising out of the decisions of the Sixteenth Meeting of the Parties to the Montreal Protocol

*Amendment of the terms of reference of the Executive Committee relating to appointment of the Chief Officer*

252. The representative of Japan drew attention to an extract from the report of the Sixteenth Meeting of the Parties, which read as follows:

“With regard to the issues of amending paragraph 10 (k) of the terms of reference of the Executive Committee of the Multilateral Fund, the representative of Japan proposed that the Meeting of the Parties should consider adopting a decision along the following lines:

‘To take note with appreciation of the report of the Chair of the Executive Committee, contained in document UNEP/OzL.Pro.16/14;

‘To take note of the assurances by the representatives of the United Nations, the Assistant Secretary-General for Human Resources Management, that the Executive Committee would be informed of a decision of the Secretary-General on the proposal of the Executive Director of the United Nations Environment Programme on this matter;

‘To defer consideration of the matter pending the receipt of a further communication from the United Nations authorities.’

Following that proposal, the current and future chairs of the Executive Committee both gave their assurances that they would continue to pursue the matter in 2004 and 2005. The representative of Japan expressed his gratitude for those assurances.”

253. The representative of Japan noted that the response from the Office of the Secretary-General of the United Nations was still awaited, and nothing could be done until that was received.

254. The Chair, and the representative of Austria as the future Chair, repeated their undertakings given at the Meeting of the Parties to pursue the matter.

*Assessment of the portion of the refrigeration servicing sector made up by chillers and identification of incentives and impediments to the transition to non-CFC equipment*

255. The representative of Japan recalled that a decision by the Sixteenth Meeting of the Parties had requested the Executive Committee to consider “(a) Funding additional demonstration projects to help demonstrate the value of replacement of CFC-based chillers, pursuant to relevant decisions of the Executive Committee; (b) Funding actions to increase awareness of users in countries operating under paragraph 1 of Article 5, of the impending phase-out and options that may be available for dealing with their chillers and to assist Governments and decision makers; (c) Requesting those countries preparing or implementing refrigerant management plans to consider developing measures for the effective use of the ozone-depleting substances recovered from the chillers to meet servicing needs in the sector.” He suggested that the Executive Committee urge the bilateral agencies and implementing agencies to propose further demonstration projects in the chiller area.

256. Following a discussion, the Executive Committee decided to defer consideration of the topic to the 45th Meeting.

**(Decision 44/61)**

*Terms of reference for the study on the 2006-2008 replenishment of the Multilateral Fund*

257. The representative of Japan, recalling that a decision of the Sixteenth Meeting of the Parties relating to the terms of reference for the study by the Technical and Economic Assessment Panel (TEAP) on the 2006-2008 replenishment of the Multilateral Fund had urged the TEAP to consult widely with all relevant persons and institutions and other relevant sources of information deemed useful, suggested that the Chair and the Vice-Chair of the Executive Committee, as well as the Chief Officer, were such “relevant persons.”

258. It was recalled that representatives of TEAP would be attending the 45th Meeting of the Executive Committee, at which time the Secretariat would have the opportunity to interact with TEAP.

259. Following a discussion of the need for attendance at TEAP meetings on the subject, the Executive Committee decided that the Chair and the Vice-Chair, as well as the Chief Officer, should cooperate fully with the Technical and Economic Assessment Panel’s study on the 2006-2008 replenishment of the Multilateral Fund.

**(Decision 44/62)**

Review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances

260. A proposal was circulated concerning the possibility of reviewing guidelines for the collection, recovery, recycling and destruction of ozone-depleting substances. One representative stated his delegation’s concern about addressing the issue of destruction technology, as destruction was not required within the compliance obligations of Article 5 countries.

261. Several representatives described mounting interest in Article 5 countries in the recovery, recycling and destruction of ODS. It was noted that several decisions of the Parties had addressed the issue, but guidelines necessary for implementing those decisions had not been drawn up by the Executive Committee.

262. Following a discussion, the Executive Committee:

*Recalling* decision IV/18 by which the Meeting of the Parties identified, as agreed incremental costs for illustration, the cost of collection, recovery, recycling, and, if cost-effective, destruction of ozone-depleting substances,

*Recalling* also that decision IV/11 facilitated access to and transfer of approved destruction technologies in accordance with Article 10 of the Protocol, together with provision for financial support under Article 10 of the Protocol for the Parties operating under paragraph 1 of Article 5,

*Noting* that decision IV/24 urged the Parties to take all practicable measures to prevent releases of controlled substances into the atmosphere, including, *inter alia*, the recovery of controlled substances for the purposes of recycling, reclamation or destruction and the destruction of unneeded ozone-depleting substances where economically feasible and environmentally appropriate,

*Noting* that decision X/7 requested the Parties to consider promoting appropriate measures to ensure the environmentally safe and effective recovery, storage, management and destruction of halons in preparing halon management strategies,

*Mindful* that the Technology and Economic Assessment Panel Task Force on Collection, Recovery and Storage, in its 2002 report, pursuant to decision XII/8, had concluded that the collection, recovery and storage of ozone-depleting substances was technically feasible and economically viable,

*Recognizing* that several million ODP tonnes of ozone-depleting substances were estimated to have been installed in equipment and as foams in 2002, according to the report of the Task Force, and were likely to be released into the atmosphere if preventive measures were not taken,

*Decided:*

(a) to request the Secretariat to collect existing guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances in the light of paragraph 6 of decision IV/18 of the Meeting of the Parties on the indicative list of categories of incremental costs and to report its findings to the 46th Meeting of the Executive Committee; and

(b) to consider whether to elaborate further guidelines for the funding of projects for the collection, recovery, recycling and destruction of ozone-depleting substances while ensuring economically feasible and environmentally appropriate management of ozone-depleting substances at the 46th Meeting on the basis of the report of the Secretariat.

**(Decision 44/63)**

Enhancing capacity-building in the National Ozone Units of Article 5 countries in the final stages of the Montreal Protocol compliance period

263. Following discussion of an informal paper prepared by the representative of China and contained in Annex XX to the present report, the Executive Committee decided that some representatives would work on the issue intersessionally and submit a revised paper to the 45th Meeting.

**(Decision 44/64)**

Process agents

264. In its consideration of the issue, the Executive Committee had before it an information document on process agents and the implementation of decisions X/14 and XV/7 of the Meetings of the Parties (UNEP/OzL.Pro/ExCom/44/Inf.2), introduced by the Chief Officer.

265. As there had so far been no opportunity for the Executive Committee to consider the level of reductions of emissions from process agent uses, it was considered that the work involved in determining such levels might be excessive. The prospect of hiring an external consultant to assist with data collection and analysis was first received with some concern in respect of the potential scope of the consultant's report. It was suggested that the option of simply reporting on the Fund's limited experience so far, without seeking further information from Article 5 countries, might satisfy the requirement in decision XV/7 of the Fifteenth Meeting of the Parties. It was pointed out however that, in addition to proving helpful to the Parties, initiating the requested study would enable the Executive Committee to examine the issue from the perspective of its own concerns in terms of project funding.

266. Following a discussion, the Executive Committee decided to authorize the Secretariat to hire an expert consultant to catalogue process agent uses in Article 5 Parties and their related emission levels, with the proviso that options for addressing emission reductions would not be analysed.

**(Decision 44/65)**

Transfer of project from Canada to UNIDO

267. The representative of Canada expressed his country's wish to transfer its bilateral project for phase-out of the use of methyl bromide in grain storage in Indonesia (IDS/FUM/41/INV/158) to UNIDO.

268. The Executive Committee decided:

- (a) To approve the transfer of the project for phase-out of the use of methyl bromide in grain storage in Indonesia (IDS/FUM/41/INV/158) at the amount of US \$350,000 plus US \$26,250 for support costs for UNIDO, pursuant to decision 38/68; and
- (b) To request the Treasurer to deduct from Canada's 2004 contributions the US \$350,000 originally approved for the project, plus the US \$45,500 for support costs approved for Canada pursuant to decision 26/41.

**(Decision 44/66)**

Dates and venues of future Meetings of the Executive Committee

269. The Chief Officer proposed dates and venues for the Executive Committee's 45th, 46th and 47th Meetings, and asked Executive Committee members to agree to have the Fund Secretariat coordinate with the Ozone Secretariat in the event that they wished the 47th Meeting to be held back-to-back with the Seventeenth Meeting of the Parties in line with decision XII/16.

270. Following the Secretariat's proposal and a discussion on the advantages of holding Executive Committee Meetings back-to-back with the Open-ended Working Group and Meetings of the Parties, the Executive Committee decided:

- (a) To hold its 45th Meeting in Montreal from 4 to 8 April 2005;
- (b) To hold its 46th Meeting back-to-back with the Meeting of the Open-ended Working Group;
- (c) To express a strong wish to hold its 47th Meeting back-to-back with the Meeting of the Parties, at a date and venue to be set at the 45th Meeting of the Executive Committee, coordinating with the Ozone Secretariat as appropriate; and
- (d) That the indicative date for the 46th Meeting would be 4 to 8 July 2005 to take place in Montreal, and the Executive Committee expressed a preference for the Executive Committee meeting to be held immediately before that of the Open-ended Working Group.

**(Decision 44/67)**

**AGENDA ITEM 17: ADOPTION OF THE REPORT**

271. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/44/L.1.

**AGENDA ITEM 18: CLOSURE OF THE MEETING**

272. At the end of the meeting several representatives expressed their gratitude for the outstanding work of the outgoing Chair and the Chief Officer as well as the contribution of Mr. Paul Horwitz, who had represented the United States of America at Executive Committee meetings since the inception of the Fund.

273. The Chair declared the meeting closed at 3 p.m. on Friday, 3 December 2004.

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**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 29 November 2004

<b>INCOME</b>	
Contributions received:	
- Cash payments including note encashments	1,545,128,441
- Promissory notes held	104,415,675
- Bilateral cooperation	78,299,900
- Interest earned	139,708,903
- Miscellaneous income	5,889,873
<b>Total Income</b>	<b>1,873,442,792</b>
<b>ALLOCATIONS AND PROVISIONS</b>	
- UNDP	457,789,298
- UNEP	87,593,421
- UNIDO	393,007,082
- World Bank	717,733,416
Less Adjustments	-
<b>Total allocations to implementing agencies</b>	<b>1,656,123,217</b>
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	78,299,900
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	3,657,431
<b>Total allocations and provisions</b>	<b>1,785,378,975</b>
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>	<b>88,063,816</b>

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 29 November 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	205,992,884	381,375,628	407,417,403	380,718,187	1,375,504,103	107,019,100	62,605,238	1,545,128,441
Bilateral assistance	4,366,255	12,089,441	22,035,587	22,683,491	61,174,774	5,224,849	11,900,277	78,299,900
Promissory notes	0	0	0	25,493,929	25,493,929	41,960,875	36,960,871	104,415,675
Total payments	210,359,139	393,465,069	429,452,990	428,895,607	1,462,172,806	154,204,825	111,466,385	1,727,844,016
Disputed contributions	0	8,098,267	0	0	8,098,267	0	0	8,098,267
Outstanding pledges	24,570,102	31,376,278	43,114,019	11,104,394	110,164,792	3,795,177	46,533,615	160,493,584
Payments %age to pledges	89.54%	92.61%	90.88%	97.48%	92.99%	97.60%	70.55%	91.50%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	132,481,494	7,227,409	0	139,708,903
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	5,088,349	347,600	453,924	5,889,873
<b>TOTAL INCOME</b>	<b>217,124,886</b>	<b>423,288,168</b>	<b>475,362,104</b>	<b>483,967,491</b>	<b>1,599,742,649</b>	<b>161,779,834</b>	<b>111,920,309</b>	<b>1,873,442,792</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>1991 - 2002</b>	<b>2003</b>	<b>2004</b>	<b>1991-2004</b>
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	210,359,139	393,465,069	429,452,990	428,895,607	1,462,172,806	154,204,825	111,466,385	1,727,844,016
Payments %age to pledges	89.54%	92.61%	90.88%	97.48%	92.99%	97.60%	70.55%	91.50%
Total income	217,124,886	423,288,168	475,362,104	483,967,491	1,599,742,649	161,779,834	111,920,309	1,873,442,792
Total outstanding contributions	24,570,102	31,376,278	43,114,019	11,104,394	110,164,792	3,795,177	46,533,615	160,493,584
As % to total pledges	10.46%	7.39%	9.12%	2.52%	7.01%	2.40%	29.45%	8.50%
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	2,954,697	3,120,067	102,237,766
CEITs' outstandings %age to pledges	10.46%	7.39%	6.99%	2.34%	6.31%	1.87%	1.97%	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 29 November 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	34,076,589	32,615,333	1,391,957	0	69,299	798,797
Austria	19,374,514	19,242,724	131,790	0	0	-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	24,057,114	0	0	0	738,724
Bulgaria	1,042,631	1,042,631	0	0	0	0
Canada*	65,798,363	54,917,592	7,939,722	3,963,867	-1,022,818	-80,679
Cyprus	148,670	148,670	0	0	0	0
Czech Republic	5,450,918	5,384,827	66,090	0	0	39,515
Denmark	15,727,943	15,522,942	205,000	0	0	432,141
Estonia	113,796	113,796	0	0	0	0
Finland	12,723,120	11,156,759	451,870	0	1,114,490	52,070
France	141,818,503	83,706,557	11,020,543	32,682,627	14,408,775	-1,533,277
Germany	209,373,661	154,478,061	28,799,565	33,714,441	-7,618,405	379,169
Greece	8,883,215	6,415,703	0	0	2,467,512	6,952
Hungary	3,260,575	3,214,081	46,494	0	0	0
Iceland	694,034	694,034	0	0	0	1,413
Ireland	4,923,022	4,923,022	0	0	0	208,838
Israel	6,389,006	3,614,671	38,106	0	2,736,229	0
Italy	109,599,874	100,353,016	5,324,489	0	3,922,369	3,291,976
Japan	353,520,945	339,944,284	7,904,405	0	5,672,256	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	298,152	298,152	0	0	0	0
Liechtenstein	188,686	188,685	0	0	0	0
Lithuania	435,179	14,975	0	0	420,204	0
Luxembourg	1,534,505	1,534,505	0	0	0	-29,981
Malta	28,052	28,052	0	0	0	0
Monaco	150,382	150,382	0	0	0	0
Netherlands	36,101,227	36,101,226	0	3,364,061	-3,364,061	0
New Zealand	5,295,712	5,295,712	0	0	0	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	5,319,539	0	0	1,790,580	198,162
Russian Federation	91,426,635	0	0	0	91,426,635	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	1,772,340	1,755,817	16,523	0	0	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	51,345,103	795,841	0	179,756	0
Sweden	25,461,724	23,523,817	1,743,695	0	194,212	-160,130
Switzerland	26,786,520	24,256,955	826,643	0	1,702,922	604,661
Tajikistan	94,713	5,333	0	0	89,380	0
Turkmenistan	287,481	5,764	0	0	281,718	0
Ukraine	8,701,833	785,600	0	0	7,916,233	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	116,408,424	95,087,845	565,000	20,755,579	0	-1,251,117
United States of America	469,771,570	416,136,646	10,817,191	9,935,100	32,882,633	0
Uzbekistan	560,441	188,606	0	0	371,835	0
<b>SUB-TOTAL</b>	<b>1,888,337,599</b>	<b>1,545,128,441</b>	<b>78,299,900</b>	<b>104,415,675</b>	<b>160,493,584</b>	<b>3,657,431</b>
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267	
<b>TOTAL</b>	<b>1,896,435,866</b>	<b>1,545,128,441</b>	<b>78,299,900</b>	<b>104,415,675</b>	<b>168,591,851</b>	

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 29 November 2004

Party	Agreed Contributions	Cash Payments	Bilateral Assistance/ Allocations*	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,058,937			91,869
Austria	1,832,847	1,832,847			0
Azerbaijan	7,685	0			7,685
Belarus	36,503	0			36,503
Belgium	2,186,352	2,186,352			0
Bulgaria	24,976	24,976			0
Canada	4,954,834	437,724	682,825	3,963,867	(129,582)
Czech Republic	330,450	330,450			0
Denmark	1,450,523	1,450,523			0
Estonia	19,212	19,212			0
Finland	1,010,563	0			1,010,563
France	12,518,689	0	2,428,348		10,090,341
Germany 1/	18,914,440	0	3,801,533	18,914,440	(3,801,533)
Greece	1,043,224	0			1,043,224
Hungary	232,468	232,468			0
Iceland	63,400	63,400			0
Ireland	570,603	570,603			0
Israel	803,071	70,024			733,047
Italy	9,805,922	7,844,737			1,961,185
Japan 2/	34,760,000	31,228,098	3,531,902		0
Latvia	19,212	19,212			0
Liechtenstein	11,527	11,527			0
Lithuania	32,661	0			32,661
Luxembourg	153,698	153,698			0
Monaco	7,685	7,685			0
Netherlands	3,364,061	3,364,061		3,364,061	(3,364,061)
New Zealand	466,857	466,857			0
Norway	1,252,637	1,252,637			0
Poland	612,870	0			612,870
Portugal	895,290	0			895,290
Russian Federation	2,305,467	0			2,305,467
Slovak Republic	82,613	82,613			0
Slovenia	155,619	155,619			0
Spain	4,877,985	3,902,388	795,841		179,756
Sweden	1,988,466	1,590,768	260,915		136,783
Switzerland	2,447,638	364,691	398,913		1,684,034
Tajikistan	1,921	0			1,921
Turkmenistan	5,764	5,764			0
Ukraine	101,825	0			101,825
United Kingdom	10,718,503	0		10,718,503	0
United States of America	34,760,000	1,877,367			32,882,633
Uzbekistan	21,133	0			21,133
<b>TOTAL</b>	<b>158,000,000</b>	<b>62,605,238</b>	<b>11,900,277</b>	<b>36,960,871</b>	<b>46,533,615</b>
CEITs	3,990,380	870,313	0	0	3,120,067

\* Allocations are made in accordance with bilateral project approvals from the payment of agreed contributions up to 20 percent.

1/ Germany Bilateral of USD918,527 agreed to at the 42 Excom for 2005.

1/ Germany Bilateral of USD670,454 agreed to at the 43 Excom for 2005.

2/ Full payment of Japan pledged contribution was made to cover both bilateral and cash payment. Cash payment figure represents the full payment due net of the bilateral contribution.

**Annex II**

**QUALITATIVE PERFORMANCE INDICATORS FOR IMPLEMENTING AGENCIES  
DRAFT PROPOSAL**

<b>Country/National Ozone Officer</b>	<b>Treat questionnaire confidentially</b>	<b>Treat questionnaire openly</b>
	Check box if appropriate: <input type="checkbox"/>	Check box if appropriate: <input type="checkbox"/>

<b>Agency</b>	<b>Projects/Programme description</b>

**Section I: Rating by Indicator**

<b>Indicator</b>	<b>Not satisfactory</b>	<b>Satisfactory</b>	<b>Highly satisfactory</b>	<b>Not relevant</b>
<b>Organization and Cooperation (overall rating)</b>				
Did cooperation with the staff of the implementing agency take place in an atmosphere of mutual understanding?				
Did the responsible staff of the implementing agency communicate sufficiently and help to avoid misunderstanding?				
Were the required services of the implementing agency delivered in time?				
Did the implementing agency clearly explain its work plan and division of tasks?				
Did the implementing agency sufficiently control and monitor the delivery of consultant services?				
Has the use of funds been directed effectively to reach the targets and was it agreed between the national ozone unit and the implementing agency?				
Was active involvement of the national ozone unit ensured in project:				
• Identification?				
• Development?				
• Implementation?				
Was appropriate institutional capacity of the national ozone unit (institutional strengthening) developed?				
Responsiveness to requests for assistance				
Reliability of advice provided				
Coordination of activities				
Efficient and timely use of Fund resources				
(additional indicators if required)				
(additional indicators if required)				

Annex II

Indicator	Not satisfactory	Satisfactory	Highly satisfactory	Not relevant
<b>Technical Assistance/Training (overall rating)</b>				
Were project partners and stakeholders encouraged by the implementing agency to participate positively in decision-making and design of activities?				
Did project partners receive sufficient technical advice and/or assistance in their decision-making on technology?				
Did the implementing agency give sufficient consideration to training aspects within the given funding limits?				
Was the selection and competence of consultants provided by the implementing agency satisfactory?				
Do you feel that you have received sufficient support in building capacities for the national implementation of the project (within the funding limitations)?				
Has the acquisition of services and equipment been successfully administered, contracted and its delivery monitored?				
In case of need, was trouble shooting by the implementing agency quick and in direct response to your needs?				
<i>Investment projects:</i>				
<ul style="list-style-type: none"> <li>• Technical advice, training and commissioning provided has been effective and met the expectations of stakeholders</li> </ul>				
<ul style="list-style-type: none"> <li>• Agency has been responsive in addressing any technical difficulties that may have been encountered subsequent to the provision of non-ODS technology</li> </ul>				
<i>National phase-out plans:</i>				
<ul style="list-style-type: none"> <li>• Proposed implementation strategies were adequate</li> </ul>				
<ul style="list-style-type: none"> <li>• Technical advice or training provided has been effective</li> </ul>				
<ul style="list-style-type: none"> <li>• Technical advice on equipment specifications has been adequate</li> </ul>				
<ul style="list-style-type: none"> <li>• Support for the distribution of equipment has been adequate</li> </ul>				
<ul style="list-style-type: none"> <li>• Support to identify policy issues related to the implementation of the plan has been adequate</li> </ul>				
<i>Training projects</i>				
<ul style="list-style-type: none"> <li>• What was the quality of training provided?</li> </ul>				
<ul style="list-style-type: none"> <li>• Are skills subsequently used by training targets?</li> </ul>				
<i>Regulatory assistance projects</i>				
Have the regulations that have been enacted/proposed been:				
<ul style="list-style-type: none"> <li>• Applicable?</li> </ul>				
<ul style="list-style-type: none"> <li>• Enforceable?</li> </ul>				
<ul style="list-style-type: none"> <li>• Adapted to local circumstances?</li> </ul>				
(additional indicators if required)				
(additional indicators if required)				

Indicator	Not satisfactory	Satisfactory	Highly satisfactory	Not relevant
<b>Impact (overall rating)</b>				
In the design and implementation of the project, has the implementing agency been striving to achieve sustainable results?				
Has cooperation with the implementing agency substantively contributed and added value to your work or organization in managing compliance in your country?				
(additional indicators if required)				
(additional indicators if required)				

**Section II: Narrative Rating**

**Please provide a narrative explaining the evaluation of the agency’s achievements:**

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**Implementing agency’s response (to be provided by the implementing agency):**

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## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ALGERIA</b>						
<b>REFRIGERATION</b>						
<b>Commercial</b>						
Conversion of CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the last group of commercial refrigerator manufactures (refrigeration sector terminal project)	UNIDO	72.8	\$589,000	\$44,175	\$633,175	8.09
<b>Total for Algeria</b>		<b>72.8</b>	<b>\$589,000</b>	<b>\$44,175</b>	<b>\$633,175</b>	
<b>ANTIGUA AND BARBUDA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
CFC phase-out management plan	IBRD	2.0	\$69,400	\$6,246	\$75,646	
<p><i>Approved with the understanding that the total level of funding of the CFC phase-out plan is \$97,300 plus support costs of \$8,757. This is the total funding that would be available to the Government from the Fund for the complete elimination of all CFCs. The Government commits itself to the phased reduction and complete phase-out of the consumption of ODS as follows: to 1.8 ODP tonnes in 2005; to 1.4 ODP tonnes in 2006; to 1.0 ODP tonne in 2007; to 0.5 ODP tonne in 2008 and complete phase-out in 2009. The Committee: approves the first tranche at the amount of \$69,400 plus support costs of \$6,246 for the World Bank for the first biannual implementation programme; approves in principle the second tranche at the amount of \$27,900 plus support costs of \$2,511, with an approval to be requested at the last meeting in 2006; will not be obliged to approve the second tranche unless the country has met the phase-out targets specified above as per Article 7 data reporting to the Ozone Secretariat, and presented a report concerning activities undertaken as well as a work plan for the implementation of the remaining phase-out. The Government agrees that no additional resources will be requested from the Fund or bilateral agencies for activities related to the phase-out of CFCs. The Committee agrees to provide the country with flexibility in using the agreed funds consistent with operational procedures as agreed between the Government and the World Bank. 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. The World Bank will be responsible for reporting annually on the implementation of activities funded under the project and provide a report including customs data to the Committee annually on the CFC consumption reductions in the plan.</i></p>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Antigua and Barbuda</b>		<b>2.0</b>	<b>\$129,400</b>	<b>\$6,246</b>	<b>\$135,646</b>	
<b>ARGENTINA</b>						
<b>PRODUCTION</b>						
<b>CFC closure</b>						
Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2004 annual programme	IBRD		\$3,500,000	\$200,000	\$3,700,000	
<p><i>A total of 1,373 ODP tonnes of CFCs would be phased out in the production sector.</i></p>						
<b>Total for Argentina</b>			<b>\$3,500,000</b>	<b>\$200,000</b>	<b>\$3,700,000</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>BAHAMAS</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan: 2004-2005 biennial programme	IBRD	23.0	\$200,000	\$26,000	\$226,000	
<b>Total for Bahamas</b>		<b>23.0</b>	<b>\$200,000</b>	<b>\$26,000</b>	<b>\$226,000</b>	
<b>BANGLADESH</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Renewal of the institutional strengthening project (phase IV)	UNDP		\$130,000	\$9,750	\$139,750	
<b>Total for Bangladesh</b>			<b>\$130,000</b>	<b>\$9,750</b>	<b>\$139,750</b>	
<b>BELIZE</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: certification and licensing of refrigeration technicians	UNEP		\$33,682	\$4,379	\$38,061	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: technical assistance for the refrigeration servicing sector	UNDP		\$44,879	\$4,039	\$48,918	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in utilizing the resources available under the technical assistance programme to address specific needs that might arise during project implementation. To the extent possible, the technical assistance programme should be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools if the proposed results are not achieved, and should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i>						
Implementation of the RMP: prevention of illegal CFC trade	UNEP		\$22,611	\$2,939	\$25,550	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: monitoring the activities	UNEP		\$27,140	\$3,528	\$30,668	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, UNEP would provide appropriate monitoring throughout project implementation.</i>						
<b>Total for Belize</b>			<b>\$128,312</b>	<b>\$14,885</b>	<b>\$143,197</b>	
<b>BOSNIA AND HERZEGOVINA</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
National ODS phase-out plan: second tranche	UNIDO		\$295,860	\$22,190	\$318,050	
<i>Approved without prejudice to the operation of the Protocol's non-compliance mechanism. UNIDO was also requested to withhold disbursement of US \$19,019 until TCA consumption targets were met and the country's licensing system had been established.</i>						
<b>Total for Bosnia and Herzegovina</b>			<b>\$295,860</b>	<b>\$22,190</b>	<b>\$318,050</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>BRAZIL</b>						
<b>FUMIGANT</b>						
<b>Preparation of project proposal</b>						
Project preparation in methyl bromide (tobacco, flowers, horticulture)	UNIDO		\$40,000	\$3,000	\$43,000	
	<b>Total for Brazil</b>		<b>\$40,000</b>	<b>\$3,000</b>	<b>\$43,000</b>	
<b>BRUNEI DARUSSALAM</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: technical assistance for the refrigeration service and MAC sectors	UNDP		\$390,000	\$29,250	\$419,250	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in using the resources available under technical assistance for the refrigeration servicing and MAC sub-sectors to address specific needs that might arise during project implementation. To the extent possible, technical assistance for the refrigeration sector sub project would be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved. This should not commence until the legislation controlling CFC imports was 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 RMP: training of trainers in good refrigerant management practices and national technicians training	UNEP		\$50,000	\$6,500	\$56,500	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: monitoring of the activities included in the RMP	UNEP		\$22,000	\$2,860	\$24,860	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i>						
Implementation of the RMP: customs training	UNEP		\$34,000	\$4,420	\$38,420	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
	<b>Total for Brunei Darussalam</b>		<b>\$496,000</b>	<b>\$43,030</b>	<b>\$539,030</b>	
<b>BURKINA FASO</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase VI)	UNEP		\$72,410	\$0	\$72,410	
	<b>Total for Burkina Faso</b>		<b>\$72,410</b>		<b>\$72,410</b>	
<b>BURUNDI</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
	<b>Total for Burundi</b>		<b>\$60,000</b>		<b>\$60,000</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>CAMEROON</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (second year of phase IV)	UNEP		\$69,766	\$0	\$69,766	
<b>Total for Cameroon</b>			<b>\$69,766</b>		<b>\$69,766</b>	
<b>CAPE VERDE</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: train the training and refrigeration technicians	UNEP		\$40,000	\$5,200	\$45,200	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: monitoring the activities	UNEP		\$20,000	\$2,600	\$22,600	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i>						
Implementation of the RMP: customs training	UNEP		\$40,000	\$5,200	\$45,200	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: technical assistance	UNDP		\$75,400	\$6,786	\$82,186	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in utilizing the resources available under the technical assistance programme to address specific needs that might arise during project implementation. To the extent possible, the technical assistance programme should be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools if the proposed results are not achieved, and should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Establishment of the Ozone Unit (institutional strengthening)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Cape Verde</b>			<b>\$235,400</b>	<b>\$19,786</b>	<b>\$255,186</b>	
<b>CHAD</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase II)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Chad</b>			<b>\$60,000</b>		<b>\$60,000</b>	
<b>CHINA</b>						
<b>FOAM</b>						
<b>Polystyrene/polyethylene</b>						
Sector plan for phase-out of CFC-11 in the China foam sector: 2005 annual programme	IBRD	2,500.0	\$10,903,000	\$961,270	\$11,864,270	4.36

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>HALON</b>						
<b>General</b>						
Halon sector plan: 2005 annual implementation programme	IBRD		\$1,800,000	\$135,000	\$1,935,000	
<b>PRODUCTION</b>						
<b>CFC closure</b>						
CFCs, CTC and halon accelerated phase-out plan <i>Approved in accordance with the Agreement between the Government of China and the Executive Committee.</i>	USA		\$5,000,000	\$375,000	\$5,375,000	
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Refrigeration servicing sector CFC phase-out plan (first tranche) <i>Approved in accordance with the Agreement between the Government of China and the Executive Committee.</i>	UNIDO		\$1,000,000	\$75,000	\$1,075,000	
Refrigeration servicing sector CFC phase-out plan (first tranche) <i>Approved in accordance with the Agreement between the Government of China and the Executive Committee.</i>	Japan		\$1,000,000	\$130,000	\$1,130,000	
<b>STERILANTS</b>						
<b>Preparation of project proposal</b>						
Preparation of a MDI sector plan	UNIDO		\$90,000	\$6,750	\$96,750	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase VI)	UNDP	32.2	\$390,000	\$29,250	\$419,250	
	<b>Total for China</b>	<b>2,532.2</b>	<b>\$20,183,000</b>	<b>\$1,712,270</b>	<b>\$21,895,270</b>	
<b>COOK ISLANDS</b>						
<b>REFRIGERATION</b>						
<b>Technical assistance/support</b>						
Implementation of the PIC strategy: training programme for refrigeration technicians including MAC recovery and recycling equipment <i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>	UNEP		\$14,000	\$1,820	\$15,820	
Implementation of the PIC strategy: assistance for enforcing ODS regulations and training programme for customs officers <i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>	UNEP		\$8,000	\$1,040	\$9,040	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Establishment of a National Compliance Centre (institutional strengthening)	UNEP		\$15,000	\$0	\$15,000	
<i>Approved in the context of extended PIC strategy together with other ODS phase out projects and activities, on the understanding that the Government would achieve a complete phase-out of ODSs by 2005 and would have flexibility on the use of the funding approved. The funding provided under the extended PIC strategy would be the total funding required by the country to achieve complete phase-out by 2005. The Government is also requested to present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes.</i>						
<b>Total for Cook Islands</b>			<b>\$37,000</b>	<b>\$2,860</b>	<b>\$39,860</b>	
<b>COTE D'IVOIRE</b>						
<b>AEROSOL</b>						
<b>Preparation of project proposal</b>						
Preparation of an investment project in the aerosol sector	UNIDO		\$15,000	\$1,125	\$16,125	
<b>Total for Cote D'Ivoire</b>			<b>\$15,000</b>	<b>\$1,125</b>	<b>\$16,125</b>	
<b>CUBA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Total phase-out of methyl bromide in soil, substrate, storage and structure fumigation	UNIDO	24.1	\$537,763	\$40,332	\$578,095	22.31
<i>Approved in accordance with the Agreement between the Government of Cuba and the Executive Committee.</i>						
<b>Total for Cuba</b>		<b>24.1</b>	<b>\$537,763</b>	<b>\$40,332</b>	<b>\$578,095</b>	
<b>DOMINICA</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation of refrigerant management plan	UNEP		\$20,000	\$2,600	\$22,600	
<b>Total for Dominica</b>			<b>\$20,000</b>	<b>\$2,600</b>	<b>\$22,600</b>	
<b>EGYPT</b>						
<b>SOLVENT</b>						
<b>Multiple solvents</b>						
Terminal solvent sector umbrella project	UNIDO	41.0	\$778,464	\$58,385	\$836,849	18.99
<i>Approved on the condition that, without requesting additional funding from the Fund, Egypt will meet the 2005 Protocol control measures for CTC and TCA; permanently phase-out the consumption of CTC and TCA by 2007; and permanently phase out the consumption of CFC-113 in the solvent sector by 2007.</i>						
<b>Total for Egypt</b>		<b>41.0</b>	<b>\$778,464</b>	<b>\$58,385</b>	<b>\$836,849</b>	
<b>EL SALVADOR</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for El Salvador</b>			<b>\$60,000</b>		<b>\$60,000</b>	

## List of projects and activities approved for funding

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ETHIOPIA</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP update	France		\$91,300	\$11,869	\$103,169	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund and that the Government of France would provide appropriate monitoring throughout project implementation.</i>						
<b>Total for Ethiopia</b>			<b>\$91,300</b>	<b>\$11,869</b>	<b>\$103,169</b>	
<b>FIJI</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNEP		\$30,000	\$0	\$30,000	
<i>Approved for a one-year period without prejudice to the operation of the Montreal Protocol's mechanism for non-compliance.</i>						
<b>Total for Fiji</b>			<b>\$30,000</b>		<b>\$30,000</b>	
<b>GABON</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Gabon</b>			<b>\$60,000</b>		<b>\$60,000</b>	
<b>GEORGIA</b>						
<b>FUMIGANT</b>						
<b>Preparation of project proposal</b>						
Preparation of structure in fumigation of commodities in mill factories and grain storage	UNIDO		\$30,000	\$2,250	\$32,250	
<b>HALON</b>						
<b>Preparation of project proposal</b>						
Preparation of a national halon bank	UNIDO		\$15,000	\$1,125	\$16,125	
<b>Total for Georgia</b>			<b>\$45,000</b>	<b>\$3,375</b>	<b>\$48,375</b>	
<b>GHANA</b>						
<b>SOLVENT</b>						
<b>Technical assistance/support</b>						
Technical assistance for the CTC sector	UNDP		\$20,000	\$1,800	\$21,800	
<b>Total for Ghana</b>			<b>\$20,000</b>	<b>\$1,800</b>	<b>\$21,800</b>	
<b>GRENADA</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Institutional strengthening project	UNEP		\$18,000	\$0	\$18,000	
<i>Approved on an exceptional basis, taking into consideration the circumstances facing the National Ozone Unit in Grenada following the destruction by Hurricane Ivan in 2004 of 90% of the country's infrastructure.</i>						
<b>Total for Grenada</b>			<b>\$18,000</b>		<b>\$18,000</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>HONDURAS</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: technical assistance programme for the promotion of good practices and recovery and recycling	UNDP		\$150,000	\$13,500	\$163,500	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: programme for permanent monitoring of the RMP	UNEP		\$38,000	\$4,940	\$42,940	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: programme for prevention of illegal ODS trade	UNEP		\$23,000	\$2,990	\$25,990	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: programme for certification and licensing of refrigeration technicians	UNEP		\$94,000	\$12,220	\$106,220	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
<b>Total for Honduras</b>			<b>\$305,000</b>	<b>\$33,650</b>	<b>\$338,650</b>	
<b>INDIA</b>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Sectoral phase-out plan for elimination of CFCs in the foam sector (third tranche)	UNDP	301.0	\$1,500,000	\$131,000	\$1,631,000	
<i>Approved on the condition that disbursement of the funding approved for UNDP should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the foam and refrigeration sector plans had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and UNDP on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
<b>REFRIGERATION</b>						
<b>Multiple-subsectors</b>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (second tranche)	UNEP		\$256,300	\$33,319	\$289,619	
<i>The Secretariat was requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						

## 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	
Plan for phase-out of CFCs in the refrigeration manufacturing sector (third tranche)	UNDP	180.0	\$250,000	\$21,621	\$271,621	
<i>Approved on the condition that disbursement of the funding approved for UNDP should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the foam and refrigeration sector plans had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and UNDP on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (second tranche)	Switzerland		\$256,650	\$33,365	\$290,015	
<i>The Secretariat was requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (second tranche)	UNDP	158.0	\$277,050	\$20,779	\$297,829	
<i>The Secretariat was requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
National CFC consumption phase-out plan focussing on the refrigeration service sector (second tranche)	Germany		\$100,000	\$13,000	\$113,000	
<i>The Secretariat was requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national CFC consumption phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
	<b>Total for India</b>	<b>639.0</b>	<b>\$2,640,000</b>	<b>\$253,084</b>	<b>\$2,893,084</b>	

## INDONESIA

### AEROSOL

#### Technical assistance/support

National strategy for phasing out the use of CFC in the aerosol sector: Policies and actions, technical assistance, and enterprise investment initiatives	IBRD	70.0	\$371,910	\$27,893	\$399,803	
<i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. No additional funds would be available from the Multilateral Fund for the phase out of CFCs in the aerosol sector except for 30.1 ODP tonnes of CFCs that are currently used in the pharmaceutical aerosol applications including MDIs. The Government of Indonesia could submit a request for the phase-out of this CFC consumption to a future meeting of the Executive Committee. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National strategy for phasing out the use of CFC in the aerosol: conversion from CFC to hydrocarbon aerosol propellants at P.T Yulia	UNDP	80.0	\$224,000	\$13,440	\$237,440	2.80
<p><i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. No additional funds would be available from the Multilateral Fund for the phase out of CFCs in the aerosol sector except for 30.1 ODP tonnes of CFCs that are currently used in the pharmaceutical aerosol applications including MDIs. The Government of Indonesia could submit a request for the phase-out of this CFC consumption to a future meeting of the Executive Committee. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i></p>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Phase-out of residual CFCs in the foam sector (first tranche)	IBRD	130.0	\$1,625,000	\$121,875	\$1,746,875	
<p><i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. The World Bank was requested to follow the format proposed in the foam sector project document for its annual reporting on the foam sector component of the national phase-out plan. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i></p>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Phase-out of the use of methyl bromide in grain storage	UNIDO	37.8	\$350,000	\$26,250	\$376,250	9.25
<p><i>Approved on the understanding that this project would phase out all remaining controlled uses of methyl bromide and that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB. The Executive Committee at its 44th Meeting agreed to transfer implementation of the project from Canada to UNIDO.</i></p>						
<b>REFRIGERATION</b>						
<b>MAC</b>						
Phase-out of CFCs in the refrigeration sector (MAC) (third tranche)	IBRD	110.0	\$1,347,300	\$119,937	\$1,467,237	
<p><i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. Disbursement of the funding approved should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the refrigeration sector plan had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and relevant agencies on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i></p>						

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UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Multiple-subsectors</b>						
Phase-out of CFCs in the refrigeration sector (manufacturing) (third tranche)	UNDP	300.0	\$1,762,000	\$156,900	\$1,918,900	
<i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. Disbursement of the funding approved should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the refrigeration sector plan had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and relevant agencies on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
Phase-out of CFCs in the refrigeration sector (servicing) (third tranche)	UNDP	300.0	\$500,000	\$43,400	\$543,400	
<i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. Disbursement of the funding approved should not commence until verification of the 2003 sectoral consumption limits and related annual phase-out specified in the refrigeration sector plan had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and relevant agencies on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
<b>SOLVENT</b>						
<b>Multiple solvents</b>						
Plan for terminal phase-out of ODS in the solvent sector	UNIDO	100.5	\$1,464,733	\$108,974	\$1,573,707	14.57
<i>Approved in accordance with the Agreement between the Government of Indonesia and the Executive Committee. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>						
<b>Total for Indonesia</b>		<b>1,128.3</b>	<b>\$7,644,943</b>	<b>\$618,669</b>	<b>\$8,263,612</b>	
<b>IRAN</b>						
<b>FUMIGANT</b>						
<b>Preparation of project proposal</b>						
Preparatory assistance in methyl bromide (soil fumigation in olive tree nurseries)	UNIDO		\$9,830	\$737	\$10,567	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase V)	UNDP	7.2	\$86,755	\$6,507	\$93,262	
<i>Approved for a one-year period without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance.</i>						
<b>Total for Iran</b>		<b>7.2</b>	<b>\$96,585</b>	<b>\$7,244</b>	<b>\$103,829</b>	
<b>KENYA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Technology transfer leading to methyl bromide phase-out in soil fumigation (second tranche)	UNDP		\$306,396	\$22,980	\$329,376	

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal CFCs phase-out management plan (first tranche)	France	45.1	\$215,914	\$28,069	\$243,983	
<i>Approved in accordance with the Agreement between the Government of Kenya and the Executive Committee. Furthermore, the disbursement of the first tranche will be contingent upon confirmation of adoption of ODS regulations by the Government which would provide a legal basis for the existing licensing system and enable introduction of independent auditing and verification.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase V)	UNDP		\$151,667	\$11,375	\$163,042	
<b>Total for Kenya</b>		<b>45.1</b>	<b>\$673,977</b>	<b>\$62,424</b>	<b>\$736,401</b>	
<b>KYRGYZSTAN</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase II)	UNEP		\$115,830	\$0	\$115,830	
<b>Total for Kyrgyzstan</b>			<b>\$115,830</b>		<b>\$115,830</b>	
<b>LAO, PDR</b>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Conversion from CFC-11 in the manufacture of boxfoam (FPF) and insulated containers (RPF) in Prasert Sofa Shop Co., Ltd.	UNDP	12.3	\$184,660	\$16,619	\$201,279	15.07
<i>Approved on the understanding that the incremental operating costs (\$31,210) would not be paid until six months after technical completion of the project. At that time the complete phase-out of CFC-11 and the ratio of conversion to water/additives technology will be determined on location by the implementing agency. Incremental operating costs will be calculated proportionally to this ratio. However if the ratio falls under 33%, no operating costs will be paid out. Any unpaid funds will be transferred to the Fund at the time of the project's financial completion.</i>						
<b>Total for Lao, PDR</b>		<b>12.3</b>	<b>\$184,660</b>	<b>\$16,619</b>	<b>\$201,279</b>	
<b>LEBANON</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Sector phase-out of methyl bromide in vegetables, cut flowers, and tobacco production (fourth tranche)	UNDP		\$400,000	\$30,000	\$430,000	
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National phase-out management plan for Annex-A Group-I substances (CFCs) (first tranche)	UNDP	55.0	\$1,061,420	\$79,607	\$1,141,027	
<i>Approved in accordance with the Agreement between the Government of Lebanon and the Executive Committee.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNDP	12.8	\$155,090	\$11,632	\$166,722	
<b>Total for Lebanon</b>		<b>67.8</b>	<b>\$1,616,510</b>	<b>\$121,239</b>	<b>\$1,737,749</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>MADAGASCAR</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation of refrigerant management plan update	UNEP		\$20,000	\$2,600	\$22,600	
<b>Total for Madagascar</b>			<b>\$20,000</b>	<b>\$2,600</b>	<b>\$22,600</b>	
<b>MALAYSIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2004 annual programme	IBRD	430.0	\$1,688,300	\$143,947	\$1,832,247	
<i>Took note, with appreciation, of the report by the certified auditor on the imports of CFCs, TCA and CTC for 2003, and requested the World Bank to follow up as appropriate on the recommendation of the auditor regarding the system for ODS import control. The Bank was requested to provide information in the 2005 work programme on the status of the implementation of the ban on use of CFCs in the manufacturing industries and the completion of industry conversions in the small- and medium-sized enterprises.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase VI)	UNDP	23.1	\$279,500	\$20,963	\$300,463	
<b>Total for Malaysia</b>			<b>453.1</b>	<b>\$1,967,800</b>	<b>\$164,910</b>	<b>\$2,132,710</b>
<b>MALDIVES</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Maldives</b>			<b>\$60,000</b>		<b>\$60,000</b>	
<b>MALI</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,677	\$0	\$60,677	
<b>Total for Mali</b>			<b>\$60,677</b>		<b>\$60,677</b>	
<b>MOLDOVA</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: monitoring the activities in the RMP	UNEP		\$19,885	\$2,585	\$22,470	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
Implementation of the RMP: technical assistance	UNDP	7.2	\$173,495	\$15,615	\$189,110	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>						
<b>Total for Moldova</b>			<b>7.2</b>	<b>\$193,380</b>	<b>\$18,200</b>	<b>\$211,580</b>

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>MOROCCO</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Phase-out of methyl bromide used for soil fumigation in tomato production (balance of the first tranche)	UNIDO	34.1	\$607,513	\$45,563	\$653,076	
<i>Approved in accordance with the revised Agreement between the Government of Morocco and the Executive Committee.</i>						
	<b>Total for Morocco</b>	<b>34.1</b>	<b>\$607,513</b>	<b>\$45,563</b>	<b>\$653,076</b>	
<b>MOZAMBIQUE</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Refrigerant management plan update	France		\$104,512	\$13,587	\$118,099	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, 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 could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results were not achieved. The Government of France would provide appropriate monitoring throughout project implementation.</i>						
	<b>Total for Mozambique</b>		<b>\$104,512</b>	<b>\$13,587</b>	<b>\$118,099</b>	
<b>NAURU</b>						
<b>REFRIGERATION</b>						
<b>Technical assistance/support</b>						
Implementation of the PIC strategy: assistance for enforcing ODS regulations and training programme for customs officers	UNEP		\$8,000	\$1,040	\$9,040	
<i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>						
Implementation of the PIC strategy: training programme for refrigeration technicians including MAC recovery and recycling equipment	UNEP		\$14,000	\$1,820	\$15,820	
<i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Establishment of a National Compliance Centre (institutional strengthening)	UNEP		\$15,000	\$0	\$15,000	
<i>Approved in the context of extended PIC strategy together with other ODS phase out projects and activities, on the understanding that the Government would achieve a complete phase-out of ODSs by 2005 and would have flexibility on the use of the funding approved. The funding provided under the extended PIC strategy would be the total funding required by the country to achieve complete phase-out by 2005. The Government is also requested to present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Total for Nauru</b>			<b>\$37,000</b>	<b>\$2,860</b>	<b>\$39,860</b>	
<b>NEPAL</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP: assistance in remaining in compliance <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>	UNEP		\$51,440	\$6,687	\$58,127	
Implementation of the RMP: recovery and recycling, retrofit and their monitoring <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in utilizing the resources available under the technical assistance programme for recovery and recycling and retrofit in the refrigeration servicing sectors, to address specific needs that might arise during project implementation. To the extent possible, the technical assistance programme would be implemented in stages so that resources could be diverted to other activities, such as additional training, or procurement of service tools, if the proposed results were not achieved. UNDP would provide appropriate monitoring throughout project implementation.</i>	UNDP		\$57,495	\$5,175	\$62,670	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Nepal</b>			<b>\$168,935</b>	<b>\$11,862</b>	<b>\$180,797</b>	
<b>NIGERIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (third tranche) <i>Approved on the understanding that disbursement of the funding should not commence until the requirements of decision 41/57 had been met and verification of the 2003 sectoral consumption limits and related annual phase-out specified in the national CFC phase-out plan had been confirmed through the provision of appropriate verification reports and agreement between the Secretariat and UNDP on their contents. The Secretariat was further requested to make recommendations to the Executive Committee on possible deductions from future approvals for the national phase-out plan in accordance with the approved Agreement if the verification report showed that consumption targets had been exceeded.</i>	UNDP	850.7	\$2,077,141	\$183,863	\$2,261,004	2.44
<b>Total for Nigeria</b>		<b>850.7</b>	<b>\$2,077,141</b>	<b>\$183,863</b>	<b>\$2,261,004</b>	
<b>NIUE</b>						
<b>REFRIGERATION</b>						
<b>Technical assistance/support</b>						
Implementation of the PIC strategy: assistance for enforcing ODS regulations and training programme for customs officers <i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>	UNEP		\$8,000	\$1,040	\$9,040	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Implementation of the PIC strategy: training programme for refrigeration technicians including MAC recovery and recycling equipment	UNEP		\$14,000	\$1,820	\$15,820	
<i>Approved on the understanding that the funding provided would be the total funding from the Fund to maintain complete phase-out of CFCs from 2005 onwards. Furthermore, the Government would have flexibility on the use of the funding approved.</i>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Establishment of a National Compliance Centre (institutional strengthening)	UNEP		\$15,000	\$0	\$15,000	
<i>Approved in the context of extended PIC strategy together with other ODS phase out projects and activities, on the understanding that the Government would achieve a complete phase-out of ODSs by 2005 and would have flexibility on the use of the funding approved. The funding provided under the extended PIC strategy would be the total funding required by the country to achieve complete phase-out by 2005. The Government is also requested to present information to the Executive Committee annually on progress being made in the implementation of the national compliance strategies, in accordance with the decision of the Executive Committee on implementation of country programmes.</i>						
<b>Total for Niue</b>			<b>\$37,000</b>	<b>\$2,860</b>	<b>\$39,860</b>	
<b>OMAN</b>						
<b>FUMIGANT</b>						
<b>Training programme/workshop</b>						
Awareness workshop and training on methyl bromide alternatives	UNIDO		\$35,000	\$3,150	\$38,150	
<i>Approved on the understanding that UNIDO will seek the cooperation of UNEP CAP in the implementation of the project.</i>						
<b>Total for Oman</b>			<b>\$35,000</b>	<b>\$3,150</b>	<b>\$38,150</b>	
<b>PAKISTAN</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP (institutional framework, customs empowerment, training service technicians, recovery and recycling) (second tranche)	UNIDO		\$534,200	\$40,065	\$574,265	
<b>SOLVENT</b>						
<b>CTC</b>						
Sector phase-out plan of CTC (second tranche)	UNIDO		\$1,300,000	\$97,500	\$1,397,500	
<b>Total for Pakistan</b>			<b>\$1,834,200</b>	<b>\$137,565</b>	<b>\$1,971,765</b>	
<b>PANAMA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National phase-out plan for Annex A (Group I) substances (first tranche)	UNEP		\$25,000	\$3,250	\$28,250	
<i>Approved in accordance with the Agreement between the Government of Panama and the Executive Committee.</i>						
National phase-out plan for Annex A (Group I) substances (first tranche)	UNDP		\$250,152	\$18,762	\$268,914	
<i>Approved in accordance with the Agreement between the Government of Panama and the Executive Committee.</i>						

## List of projects and activities approved for funding

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNEP	12.4	\$149,500	\$0	\$149,500	
<b>Total for Panama</b>		<b>12.4</b>	<b>\$424,652</b>	<b>\$22,012</b>	<b>\$446,664</b>	
<b>PHILIPPINES</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Technical assistance for a national methyl bromide phase-out strategy	IBRD	9.0	\$330,000	\$24,750	\$354,750	
<i>Approved on the understanding that this project would phase out all remaining controlled uses of MB and that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB.</i>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2005 annual programme	IBRD	301.0	\$2,160,071	\$186,006	\$2,346,077	
National CFC phase-out plan servicing sector: 2005 annual programme	Sweden		\$40,000	\$2,000	\$42,000	
<b>Total for Philippines</b>		<b>310.0</b>	<b>\$2,530,071</b>	<b>\$212,756</b>	<b>\$2,742,827</b>	
<b>ROMANIA</b>						
<b>AEROSOL</b>						
<b>Filling plant</b>						
Phase-out of CFC-12 in the manufacture of pharmaceutical aerosols by conversion to HFC-134a propellant at MEBRA, Brasov (terminal aerosol sector project)	UNIDO	46.5	\$204,776	\$18,430	\$223,206	4.40
<i>Approved on the understanding that no additional funds will be requested from the Fund for the phase-out of CFCs in the aerosol sector in Romania and UNIDO was requested to continue monitoring implementation of the project and report back to the Executive Committee once the project is fully implemented.</i>						
<b>SOLVENT</b>						
<b>Preparation of project proposal</b>						
Preparation of a terminal umbrella project to phase out CTC	UNIDO		\$20,000	\$1,500	\$21,500	
<b>Total for Romania</b>		<b>46.5</b>	<b>\$224,776</b>	<b>\$19,930</b>	<b>\$244,706</b>	
<b>SAINT KITTS AND NEVIS</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation of a refrigerant management plan	UNEP		\$15,000	\$1,950	\$16,950	
<b>Total for Saint Kitts and Nevis</b>			<b>\$15,000</b>	<b>\$1,950</b>	<b>\$16,950</b>	
<b>SAINT VINCENT AND THE GRENADINES</b>						
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation of refrigerant management plan update	UNEP		\$20,000	\$2,600	\$22,600	
<b>Total for Saint Vincent and the Grenadines</b>			<b>\$20,000</b>	<b>\$2,600</b>	<b>\$22,600</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>SAO TOME AND PRINCIPE</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: training of custom officers <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>	UNEP		\$45,000	\$5,850	\$50,850
Implementation of the RMP: training of refrigeration technicians <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>	UNEP		\$55,000	\$7,150	\$62,150
Implementation of the RMP: technical assistance <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in utilizing the resources available under the technical assistance programme to address specific needs that might arise during project implementation. To the extent possible, the technical assistance programme should be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools if the proposed results are not achieved, and should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i>	UNDP		\$110,000	\$9,900	\$119,900
Implementation of the RMP: monitoring the activities <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, UNEP would provide appropriate monitoring throughout project implementation.</i>	UNEP		\$20,000	\$2,600	\$22,600
Implementation of the RMP: assistance for licensing system <i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund.</i>	UNEP		\$20,000	\$2,600	\$22,600
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Establishment of the Ozone Unit (institutional strengthening)	UNEP		\$40,000	\$0	\$40,000
<b>Total for Sao Tome and Principe</b>			<b>\$290,000</b>	<b>\$28,100</b>	<b>\$318,100</b>
<b>SERBIA AND MONTENEGRO</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Extension of institutional strengthening project (phase II)	UNIDO	10.8	\$131,300	\$9,848	\$141,148
<b>Total for Serbia and Montenegro</b>			<b>10.8</b>	<b>\$131,300</b>	<b>\$9,848</b>
<b>SEYCHELLES</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Extension of institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000
<b>Total for Seychelles</b>			<b>\$60,000</b>		<b>\$60,000</b>

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>SOMALIA</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Establishment of the National Ozone Committee (institutional strengthening)	UNEP		\$26,000	\$0	\$26,000
<i>Approved on an exceptional basis for a further one-year period and on the understanding that the level of funding requested would not constitute the basis for determining the funding level for the remaining one-year period.</i>					
	<b>Total for Somalia</b>		<b>\$26,000</b>		<b>\$26,000</b>
<b>SUDAN</b>					
<b>PHASE-OUT PLAN</b>					
<b>CFC phase out plan</b>					
National CFC/CTC phase-out plan (first tranche)	UNIDO		\$499,480	\$37,461	\$536,941
<i>Approved in accordance with the Agreement between the Government of Sudan and the Executive Committee.</i>					
	<b>Total for Sudan</b>		<b>\$499,480</b>	<b>\$37,461</b>	<b>\$536,941</b>
<b>SURINAME</b>					
<b>REFRIGERATION</b>					
<b>Refrigerant management plan</b>					
Implementation of the RMP: monitoring the activities	UNDP		\$25,750	\$2,318	\$28,068
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, UNDP would provide appropriate monitoring throughout project implementation.</i>					
Implementation of the RMP: technical assistance for the MAC and refrigeration service sectors	UNDP		\$300,430	\$22,532	\$322,962
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, the Government would have flexibility in utilizing the resources available under the technical assistance programme for the MAC and refrigeration servicing sectors, to address specific needs that might arise during project implementation. To the extent possible, the technical assistance programme would be implemented in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results were not achieved.</i>					
	<b>Total for Suriname</b>		<b>\$326,180</b>	<b>\$24,850</b>	<b>\$351,030</b>
<b>TANZANIA</b>					
<b>SEVERAL</b>					
<b>Institutional strengthening</b>					
Extension of institutional strengthening project (phase II)	UNEP		\$57,200	\$0	\$57,200
	<b>Total for Tanzania</b>		<b>\$57,200</b>		<b>\$57,200</b>
<b>THAILAND</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
National methyl bromide phase-out plan (first tranche)	IBRD	58.7	\$546,991	\$41,024	\$588,015
<i>Approved in accordance with the Agreement between the Government of Thailand and the Executive Committee and without prejudice to the operation of the Protocol's mechanism for dealing with non-compliance.</i>					

## 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	
<b>Total for Thailand</b>		<b>58.7</b>	<b>\$546,991</b>	<b>\$41,024</b>	<b>\$588,015</b>	
<b>TOGO</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$60,667	\$0	\$60,667	
<b>Total for Togo</b>			<b>\$60,667</b>		<b>\$60,667</b>	
<b>TRINIDAD AND TOBAGO</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase IV)	UNDP		\$60,000	\$4,500	\$64,500	
<b>Total for Trinidad and Tobago</b>			<b>\$60,000</b>	<b>\$4,500</b>	<b>\$64,500</b>	
<b>TURKEY</b>						
<b>REFRIGERATION</b>						
<b>Multiple-subsectors</b>						
Total phase-out of CFCs plan: 2005 annual programme	IBRD	166.0	\$750,000	\$45,000	\$795,000	
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	IBRD	21.5	\$260,000	\$19,500	\$279,500	
<b>Total for Turkey</b>		<b>187.5</b>	<b>\$1,010,000</b>	<b>\$64,500</b>	<b>\$1,074,500</b>	
<b>UGANDA</b>						
<b>REFRIGERATION</b>						
<b>Refrigerant management plan</b>						
Implementation of the RMP update	France		\$75,000	\$9,750	\$84,750	
<i>Approved on the understanding that the Government would achieve the 2005 and 2007 phase-out targets without further assistance from the Fund. Furthermore, 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 could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results were not achieved. The Government of France would provide appropriate monitoring throughout project implementation.</i>						
<b>Total for Uganda</b>			<b>\$75,000</b>	<b>\$9,750</b>	<b>\$84,750</b>	
<b>VENEZUELA</b>						
<b>PRODUCTION</b>						
<b>CFC closure</b>						
Phased reduction and closure of the entire CFC production: 2004 annual programme	IBRD		\$3,300,000	\$247,500	\$3,547,500	
<i>A total of 1,487 ODP tonnes of CFCs would be phased-out in the production sector.</i>						
<b>Total for Venezuela</b>			<b>\$3,300,000</b>	<b>\$247,500</b>	<b>\$3,547,500</b>	

## List of projects and activities approved for funding

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>VIETNAM</b>						
<b>FUMIGANT</b>						
<b>Preparation of project proposal</b>						
Project preparation for methyl bromide phase-out plan	IBRD		\$65,000	\$4,875	\$69,875	
<b>Total for Vietnam</b>			<b>\$65,000</b>	<b>\$4,875</b>	<b>\$69,875</b>	
<b>ZAMBIA</b>						
<b>SEVERAL</b>						
<b>Institutional strengthening</b>						
Extension of institutional strengthening project (phase III)	UNEP		\$65,520	\$0	\$65,520	
<b>Total for Zambia</b>			<b>\$65,520</b>		<b>\$65,520</b>	
<b>ZIMBABWE</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for CFCs (first tranche)	Germany		\$280,000	\$36,400	\$316,400	
<i>Approved subject to the following conditions: Zimbabwe would achieve at least the 2005 Montreal Protocol CFC reduction target without further assistance from the Fund; and in 2006, the Government would submit a comprehensive report on the implementation of phase I together with a request for phase II of the project to achieve complete CFC phase out in the servicing sector containing activities best suited to the circumstances and needs of the country identified at that time. The progress report should include the activities undertaken and results achieved, the amount of CFCs permanently phased out and the remaining level of consumption to be phased out.</i>						
<b>Total for Zimbabwe</b>			<b>\$280,000</b>	<b>\$36,400</b>	<b>\$316,400</b>	
<b>REGION: ASP</b>						
<b>SEVERAL</b>						
<b>Technical assistance/support</b>						
Implementation of the PIC strategy: technical assistance to countries and monitoring the implementation of the strategy	UNEP		\$30,000	\$3,900	\$33,900	
<b>Total for Region: ASP</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>	
<b>GLOBAL</b>						
<b>SEVERAL</b>						
<b>Programme administration</b>						
Core unit budget for 2005	IBRD		\$0	\$1,500,000	\$1,500,000	

## List of projects and activities approved for funding

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Annex III

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Compliance assistance programme: 2005 budget <i>Approved on the following basis: approval of the programme line on sub-contracting for a one-year trial period, at the conclusion of which UNEP would report to the Executive Committee on sub-contracts entered into at a regional level (budget line 2299); a reduction of US \$40,000 to the amount requested for temporary assistance to establish the CAP (budget line 1317); approval of the half-time general service post as assistant to the Regional Network Coordinator for Europe and Central Asia; provision within the budget allocation for a halon officer for the West Asia region; and any additional professional position for the West Asia region should be funded from within the CAP budget. UNEP was also requested to continue to report to the Executive Committee on the actual allocation and use of the 8 per cent programme support costs between support services pertaining to the implementation of the CAP and the administrative support costs charged by the United Nations Office at Nairobi.</i>	UNEP		\$7,157,544	\$572,604	\$7,730,148	
Core funding for the year 2005	UNDP		\$0	\$1,500,000	\$1,500,000	
Core unit budget for 2005	UNIDO		\$0	\$1,500,000	\$1,500,000	
	<b>Total for Global</b>		<b>\$7,157,544</b>	<b>\$5,072,604</b>	<b>\$12,230,148</b>	
	<b>GRAND TOTAL</b>	<b>6,565.7</b>	<b>\$65,637,719</b>	<b>\$9,768,188</b>	<b>\$75,405,907</b>	

## Summary

UNEP/OzL.Pro/ExCom/44/73  
Annex III

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
<b>BILATERAL COOPERATION</b>				
Production		\$5,000,000	\$375,000	\$5,375,000
Refrigeration		\$1,627,462	\$211,571	\$1,839,033
Phase-out plan	45.1	\$535,914	\$66,469	\$602,383
<b>TOTAL:</b>	45.1	\$7,163,376	\$653,040	\$7,816,416
<b>INVESTMENT PROJECT</b>				
Aerosol	196.5	\$800,686	\$59,763	\$860,449
Foam	2,943.3	\$14,212,660	\$1,230,764	\$15,443,424
Fumigant	163.7	\$3,078,663	\$230,899	\$3,309,562
Halon		\$1,800,000	\$135,000	\$1,935,000
Production		\$6,800,000	\$447,500	\$7,247,500
Refrigeration	1,294.0	\$9,249,057	\$794,560	\$10,043,617
Solvent	141.5	\$3,543,197	\$264,859	\$3,808,056
Phase-out plan	1,661.7	\$8,326,824	\$707,332	\$9,034,156
<b>TOTAL:</b>	6,400.6	\$47,811,087	\$3,870,677	\$51,681,764
<b>WORK PROGRAMME AMENDMENT</b>				
Aerosol		\$15,000	\$1,125	\$16,125
Fumigant		\$179,830	\$14,012	\$193,842
Halon		\$15,000	\$1,125	\$16,125
Refrigeration		\$141,000	\$18,330	\$159,330
Solvent		\$40,000	\$3,300	\$43,300
Sterilants		\$90,000	\$6,750	\$96,750
Several	120.0	\$10,182,426	\$5,199,829	\$15,382,255
<b>TOTAL:</b>	120.0	\$10,663,256	\$5,244,471	\$15,907,727
<b>Summary by Parties and Implementing Agencies</b>				
France	45.1	\$486,726	\$63,275	\$550,001
Germany		\$380,000	\$49,400	\$429,400
Japan		\$1,000,000	\$130,000	\$1,130,000
Sweden		\$40,000	\$2,000	\$42,000
Switzerland		\$256,650	\$33,365	\$290,015
USA		\$5,000,000	\$375,000	\$5,375,000
IBRD	3,821.2	\$28,916,972	\$3,810,823	\$32,727,795
UNDP	2,319.4	\$11,393,280	\$2,443,863	\$13,837,143
UNEP	12.4	\$9,616,172	\$716,652	\$10,332,824
UNIDO	367.6	\$8,547,919	\$2,143,810	\$10,691,729
<b>GRAND TOTAL</b>	6,565.7	\$65,637,719	\$9,768,188	\$75,405,907

**ADJUSTMENTS ARISING FROM THE 44<sup>th</sup> MEETING OF THE EXECUTIVE COMMITTEE FOR PROJECTS AND ACTIVITIES**

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
Belgium (per Decision 44/2(e))			\$116,264
Canada (per Decision 44/66(b))	\$350,000	\$45,500	\$395,500
Germany (per Decision 44/2(f))	\$15,344		\$15,344
UNDP (per Decision 44/2(b&c))	(\$79,548)	(\$10,378)	(\$89,926)
UNEP (per Decision 44/2(b&c))	\$286,351	\$28,383	\$314,734
UNIDO (per Decision 44/2(b&c))	\$180,729	\$21,848	\$202,577
World Bank (per Decision 44/2(b&c))	\$55,571	\$7,170	\$62,741
<b>Total Adjustments</b>	<b>\$808,447</b>	<b>\$92,523</b>	<b>\$1,017,234</b>

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON DECISIONS OF THE 44<sup>th</sup> MEETING OF THE EXECUTIVE COMMITTEE**

Agency	Project Costs (US \$)	Support Costs (US \$)	Total (US \$)
Belgium (1)	\$0	\$0	(\$116,264)
Canada (2)	(\$350,000)	(\$45,500)	(\$395,500)
France(3)	\$486,726	\$63,275	\$550,001
Germany(3)	\$364,656	\$49,400	\$414,056
Japan(4)	\$1,000,000	\$130,000	\$1,130,000
Sweden(4)	\$40,000	\$2,000	\$42,000
Switzerland(4)	\$256,650	\$33,365	\$290,015
United States of America(4)	\$5,000,000	\$375,000	\$5,375,000
UNDP	\$11,472,828	\$2,454,241	\$13,927,069
UNEP	\$9,329,821	\$688,269	\$10,018,090
UNIDO	\$8,367,190	\$2,121,962	\$10,489,152
World Bank	\$28,861,401	\$3,803,653	\$32,665,054
<b>Total Transfers</b>	<b>\$64,829,272</b>	<b>\$9,675,665</b>	<b>\$74,388,673</b>

(1) Amount to be footnoted as transferred from bilateral cooperation to cash contribution per Decision 44/2(e) resulting in a decrease in the former and an increase in the later.

(2) Amount to be deducted from 2004 bilateral assistance allocation per Decision 44/66(b).

(3) To be offset against 2005 bilateral assistance allocation.

(4) To be offset against 2004 bilateral assistance allocation.

## **Annex IV**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 44<sup>TH</sup> MEETING**

#### *Antigua and Barbuda*

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Antigua and Barbuda and notes with appreciation that Antigua and Barbuda reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Antigua and Barbuda therefore appears to be in compliance with the CFC consumption level freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Antigua and Barbuda has taken significant steps to phase out its ODS consumption. Specifically; monitoring import licences to ensure compliance, collecting and analysing consumption data, conducting training for technicians and customs officers and undertaking media outreach to promote the phase-out of CFCs and the use of alternatives. The Executive Committee greatly supports the efforts of Antigua and Barbuda to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Antigua and Barbuda 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.

#### *Bangladesh*

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bangladesh and notes with appreciation that Bangladesh reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Bangladesh therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Bangladesh has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the enactment of ODS legislation to provide for an import licensing system; preparation and initial implementation of a national ODS phase-out plan; establishment of an inventory of ODS, and public awareness activities including Ozone Day celebrations. The Executive Committee greatly supports the efforts of Bangladesh to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Bangladesh will continue with the implementation of its country programme and national ODS phase-out plan with outstanding success in the reduction of current ODS consumption levels.

#### *Burkina Faso*

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Burkina Faso and notes with appreciation that Burkina Faso reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Burkina Faso 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, Burkina Faso has taken significant steps to phase out its ODS consumption. Specifically, establishing regulations to prevent future consumption of methyl bromide; implementing a recovery and recycling project and an incentive programme to encourage the conversion of ODS-based refrigeration equipment; organizing training workshops for customs officers; and conducting awareness raising activities to increase the commitment of stakeholders to ODS phase-out. The Executive Committee greatly supports the efforts of Burkina Faso to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Burkina Faso 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.

#### *Burundi*

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Burundi and notes with appreciation that Burundi reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Burundi 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, Burundi has taken significant steps to phase out its ODS consumption. Specifically, completion of its recovery and recycling project and preparation of a refrigerant management plan update; ensuring compliance with the reporting requirements under the Montreal Protocol; organisation of seminars for importers, customs agents and other stakeholders, and; continuation of its awareness-raising activities. The Executive Committee greatly supports the efforts of Burundi to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Burundi 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.

#### *Cameroon*

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Cameroon and notes with appreciation that Cameroon reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline and was also lower than the consumption freeze levels for halons and methyl bromide. Cameroon therefore appears to be in compliance with the CFC consumption freeze level and may have returned to compliance with the control measures for halons and methyl bromide. The Executive Committee also notes that within the framework of the institutional strengthening project, Cameroon has taken significant steps to phase out its ODS consumption. Specifically, implementing a licensing system for ODS imports and regulations banning the imports of use equipment containing ODS; implementing training workshops for customs officers and refrigeration technicians, and; continuing ozone-awareness activities. The Executive Committee greatly supports the efforts of Cameroon to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next year, Cameroon 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.

*Chad*

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Chad and notes with appreciation that Chad reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Chad therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Chad has taken significant steps to phase out its ODS consumption. Specifically: the strengthening of legislation and implementation of an inter-ministerial decree regulating the import and export of ODS; the promotion of the practice of recovery and recycling of CFCs; the strengthening of awareness activities on ozone issues, and; the improvement of its data collection system to better meet its reporting requirements. The Executive Committee greatly supports the efforts of Chad to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Chad 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.

*China*

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for China and notes with appreciation that China has reported data to the Ozone Secretariat below the respective baseline levels for all ODS. China therefore appears to be in compliance with the consumption freeze levels for CFCs, TCA and methyl bromide. The Executive Committee also notes that China has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the conclusion of agreements with the Executive Committee for phase-out of the production of CFCs and the production and consumption of CTC, as well as the preparation of a plan for accelerated phase-out of CFCs. Additionally, the Executive Committee notes that China has reviewed all issued policies in order to form a comprehensive system of laws and has formulated further effective regulations and laws for future ODS phase-out. The Executive Committee greatly supports the efforts of China to reduce the production and consumption of CFCs and other ODS. The Executive Committee is therefore hopeful that, in the next two years, China will continue with the implementation of its country programme and phase-out activities in the production and consumption sectors with outstanding success in the reduction of current ODS consumption levels.

*El Salvador*

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for El Salvador and notes with appreciation that El Salvador reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. El Salvador therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, El Salvador has taken significant steps to phase out its ODS consumption. Specifically, implementing training activities for customs officers on ODS imports control, and monitoring the recycling programme for refrigerants in the refrigeration and

air-conditioning servicing sector. The Executive Committee greatly supports the efforts of El Salvador to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, El Salvador 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.

#### *Fiji*

9. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Fiji Islands and notes with appreciation that Fiji Islands reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Fiji Islands therefore appears to be in compliance with the CFC consumption level freeze level. However, the Executive Committee notes with concern that the 2003 consumption of methyl bromide for controlled uses reported to the Fund Secretariat of 1.51 ODP tonnes exceeds Fiji's methyl bromide baseline of 0.7 ODP tonnes. Fiji therefore, appears to be in non-compliance with the methyl bromide consumption freeze. The Executive Committee also notes that within the framework of the institutional strengthening project, Fiji Islands has taken significant steps to phase out its ODS consumption. Specifically, improving the enforcement of legislation for monitoring and controlling ODS imports; completing the training of refrigeration technicians and customs officials, and; raising public awareness of the need to protect the ozone layer. The Executive Committee greatly supports the efforts of Fiji Islands to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Fiji Islands 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.

#### *Gabon*

10. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Gabon and notes with appreciation that Gabon reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Gabon therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Gabon has taken significant steps to phase out its ODS consumption. Specifically, the implementation of an ODS monitoring and control systems; the introduction of tax incentives; implementation of data reporting requirements under the Montreal Protocol, and; the continuation of awareness raising activities. The Executive Committee greatly supports the efforts of Gabon to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Gabon 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.

#### *The Islamic Republic of Iran*

11. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for the Islamic Republic of Iran and notes with concern

that the 2003 consumption levels of CTC and TCA reported to the Fund Secretariat are higher than its current Montreal Protocol baselines. The Islamic Republic of Iran therefore appears to be in non-compliance with the TCA freeze requirement. Despite this, the Executive Committee notes that 2003 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline for CFCs. The Executive Committee also notes that the Islamic Republic of Iran has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the establishment and use of a system of annual import quotas for CFCs, commencement of implementation of a national CFC phase-out plan, and raising consumer awareness about ODS through public information initiatives. The Executive Committee is therefore hopeful that, in the next year, the Islamic Republic of Iran will continue with the implementation of its country programme, national CFC phase-out plan and methyl bromide activities with outstanding success in the reduction of current ODS consumption levels.

#### *Kenya*

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Kenya and notes with appreciation that Kenya reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Kenya therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Kenya has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, improvements in data collection; preparations necessary for ratification of the Beijing Amendment; commencement of voluntary measures to control ODS imports, development of a methyl bromide investment project; continuation of public awareness campaigns and participation in regional activities. The Executive Committee greatly supports the efforts of Kenya to reduce the consumption of CFCs and other ODS. The Executive Committee is therefore hopeful that, in the next two years, Kenya will continue with the implementation of its country programme and with legislation to control CFC imports so that it can achieve outstanding success in the reduction of current CFC consumption levels.

#### *Kyrgyzstan*

13. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Kyrgyzstan and notes with appreciation that Kyrgyzstan reported the data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Kyrgyzstan therefore appears to be in compliance with the CFC consumption level freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Kyrgyzstan has taken significant steps to phase out its ODS consumption. Specifically; ratification of the London, Copenhagen and Montreal amendments to the Montreal Protocol; strengthening the CFC and methyl bromide import monitoring system, and; raising awareness of the need to protect the ozone layer. The Executive Committee greatly supports the efforts of Kyrgyzstan to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Kyrgyzstan 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.

*Lebanon*

14. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Lebanon and notes with appreciation that Lebanon reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Lebanon therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee notes that Lebanon has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the management of a comprehensive national CFC consumption survey; the establishment of a halon bank; the updating of national legislation on ODS and control of ODS imports; formulation of a national phase-out plan, and; increased public awareness and enhanced partnerships with the private sector. The Executive Committee is therefore hopeful that, in the next year, Lebanon will continue with the implementation of its country programme and CFC and methyl bromide phase-out activities with outstanding success in the reduction of current ODS consumption levels.

*Malaysia*

15. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Malaysia and notes with appreciation that Malaysia reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Malaysia therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Malaysia has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the continuation of successful implementation of its national CFC phase-out plan; interaction with industries and enterprises to ensure sustainability of phase-out; the issuing of notices to enforce the national refrigerant management regulations, and; public awareness activities for prevention of illegal imports. The Executive Committee greatly supports the efforts of Malaysia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Malaysia will continue with the implementation of its country programme and national CFC phase-out plan with outstanding success in the reduction of current CFC consumption levels.

*Maldives*

16. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Maldives and notes with appreciation that Maldives reported data to the Ozone Secretariat that was consistent with the plan of action for the Maldives recognised by the Parties to the Montreal Protocol in decision XV/37 and has therefore returned to compliance. The Executive Committee also notes that within the framework of the institutional strengthening project, Maldives has taken significant steps to phase out its ODS consumption. Specifically, developing a legal framework for control and monitoring of ODS import and consumption, organising workshops for stakeholders in the refrigeration sector, and; disseminating information on protection of the ozone layer. The Executive Committee greatly supports the efforts of Maldives to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Maldives will continue with the implementation

of its country programme and refrigerant management plan activities with outstanding success in meeting the goals in its plan of action.

*Mali*

17. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Mali and notes with appreciation that Mali reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Mali 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, Mali has taken significant steps to phase out its ODS consumption. Specifically, the implementation of an inter-ministerial decree regulating ODS imports and exports; the organization of training workshops for refrigeration technicians; the opening of recovery and recycling centres; and, continuation of awareness raising activities to discourage the importation of ODS. The Executive Committee greatly supports the efforts of Mali to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next year, Mali 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.

*Nepal*

18. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Nepal and notes that the consumption of CFCs reported to the Ozone Secretariat for the year 2000 exceeded its 1995-1997 average CFC compliance baseline. However the Executive Committee also notes that the consumption of CFCs reported for 2001, 2002 and 2003 was zero. The Executive Committee further notes that within the framework of the institutional strengthening project, Nepal has taken significant steps to phase out its ODS consumption. Specifically, development of a licensing system to monitor and control imports of ODS, organisation of training courses in the refrigeration sector and for customs officers, and; the conduct of public and industry awareness activities. The Executive Committee greatly supports the efforts of Nepal to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next year, Nepal will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in sustaining the phase-out of CFCs.

*Panama*

19. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Panama and notes with appreciation that Panama reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Panama 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, Panama has taken significant steps to phase out its ODS consumption. Specifically, the drafting of legislation to control the import of CFCs and of vehicles using CFC-based air conditioning systems; the monitoring of implementation and operation of recovery and recycling activities and training projects; and, the maintenance of close

coordination with stakeholders. The Executive Committee greatly supports the efforts of Panama to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Panama 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.

#### *Serbia and Montenegro*

20. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Serbia and Montenegro and notes with appreciation that Serbia and Montenegro reported data to the Ozone Secretariat was lower than its 1995-1997 average CFC compliance baseline. Serbia and Montenegro therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Serbia and Montenegro has taken significant steps to phase out its ODS consumption. Specifically, initiating the development of a system for data collection and monitoring of ODS consumption and the initiation of ratification process of Montreal Protocol amendments; the organization of ozone awareness activities. The Executive Committee greatly supports the efforts of Serbia and Montenegro to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Serbia and Montenegro 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.

#### *Seychelles*

21. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Seychelles and notes with appreciation that Seychelles reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Seychelles 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, Seychelles has taken significant steps to phase out its ODS consumption. Specifically, implementation of legislation to control ODS importation, the organization of training workshops for customs officers; the implementation of a recovery and recycling project and an incentive programme to encourage the conversion of ODS-based refrigeration equipment; and, the organization of awareness activities to reinforce the commitment of stakeholders to ODS phase out. The Executive Committee greatly supports the efforts of Seychelles to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Seychelles 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.

#### *Tanzania*

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

compliance baseline. Tanzania therefore appears to be in compliance with the CFC consumption level freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project Tanzania has taken significant steps to phase out its ODS consumption. Specifically, implementation of a licensing system to control the imports of ODS; organisation of trainings workshops for refrigeration technicians and customs officials, and; developing awareness raising material in the local language. The Executive Committee greatly supports the efforts of Tanzania to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Tanzania 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.

#### *Togo*

23. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Togo and notes with appreciation that Togo reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Togo 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, Togo has taken significant steps to phase out its ODS consumption, including training customs officers and implementing an awareness campaign for importers and other stakeholders. The Executive Committee greatly supports the efforts of Togo to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Togo 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.

#### *Trinidad and Tobago*

24. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Trinidad and Tobago and notes with appreciation that Trinidad and Tobago reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Trinidad and Tobago therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that Trinidad and Tobago has taken significant steps within the framework of the institutional strengthening project to phase out its ODS consumption. Specifically, the preparation of a terminal phase-out plan; development and enforcement of legislation on ODS, including an import quota system; the development of partnerships with the private sector, and; the development of awareness activities. The Executive Committee greatly supports the efforts of Trinidad and Tobago to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Trinidad and Tobago will continue with the implementation of its country programme and terminal phase-out plan activities with outstanding success in the reduction of current CFC consumption levels.

#### *Turkey*

25. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Turkey and notes with appreciation that Turkey

reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Turkey therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that, within the framework of the institutional strengthening project, Turkey has taken significant steps to phase out its ODS consumption. Specifically, those steps are: the establishment of the MB National Strategy Committee, the MB Administration Committee and Inspection System; the organization of training sessions and the publication of educational documentation on the use of MB alternatives; and ozone awareness activities. The Executive Committee greatly supports the efforts of Turkey to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Turkey 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.

### *Zambia*

26. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Zambia and notes with appreciation that Zambia reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Zambia therefore appears to be in compliance with the CFC consumption level freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Zambia has taken significant steps to phase out its ODS consumption. Specifically, amending regulations to control the imports of ODS; training refrigeration technicians and customs officers; monitoring the implementation and operation of recovery & recycling activities, and; raising public awareness. The Executive Committee greatly supports the efforts of Zambia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Zambia 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 V**  
**CAP 2005 BUDGET (in USD)**

						<b>CAP 2002</b>	<b>CAP 2003</b>	<b>CAP 2004</b>	<b>CAP 2005</b>	
						Approved ExCom 36	Approved ExCom 38	Approved ExCom 41		
<b>10</b>	<b>PROJECT PERSONNEL COMPONENT</b>									
	1100	<i>Project personnel</i>								
		Title	Location	Grade	m/y					
	1101	Head	Paris	D1	9	132,000	137,280	142,771	144,271	
	1102	Network & Policy Manager	Paris	P5	12	150,500	156,520	162,781	164,781	
	1103	Capacity Building Manager	Paris	P4	12	129,500	134,680	140,067	142,067	
	1104	Information Manager	Paris	P4	12	129,500	134,680	140,067	142,067	
	1105	Monitoring & Administration Officer	Paris	P3	12	108,500	112,840	117,354	119,354	
	1106	Information Officer	Paris	P3	12	108,500	112,840	117,354	119,354	
	1107	Helpdesk Officer	Paris	P2	12	87,500	91,000	94,640	96,640	
	1108	IS/RMP/CP Officer	Paris	P3	12	108,500	112,840	117,354	119,354	
	1109	IT Specialist	Paris	P3	6	54,250	56,420	58,677	59,677	
	1110	ROA RNC (English)	Nairobi	P4	12	118,400	123,136	135,825	141,258	
	1111	ROA Policy & Enforcement Officer	Nairobi	P4	12	118,400	123,136	135,825	141,258	
	1112	ROA RMP Officer	Nairobi	P3	12	92,200	95,888	101,640	105,706	
	1113	ROA MB Officer	Nairobi	P3	12	92,200	95,888	101,640	105,706	
	1114	ROLAC RNC	Mexico	P4	12	108,864	113,219	120,000	124,800	
	1115	ROLAC Policy & Enforcement Officer	Mexico	P4	12	108,864	113,219	120,000	124,800	
	1116	ROLAC RMP Officer	Mexico	P3	12	89,586	93,169	108,977	113,336	
	1117	ROLAC MB Officer	Mexico	P3	12	89,586	93,169	108,977	113,336	
	1118	ROAP-SA RNC	Bangkok	P4	12	110,000	114,400	130,000	135,200	
	1119	ROAP Policy & Enforcement Officer	Bangkok	P4	12	110,000	114,400	130,000	135,200	
	1120	ROAP RMP Officer	Bangkok	P3	12	85,000	88,400	106,000	110,000	
	1121	ROAP MB Officer	Bangkok	P3	12	85,000	88,400	106,000	110,000	
	1122	ROWA RNC	Bahrain	P4	12	109,000	113,360	135,000	140,400	
	1123	ROWA RMP Officer	Bahrain	P3	12	109,000	113,360	127,000	132,080	
	1124	ROWA Halon Officer	Bahrain	P3	12	89,500	93,080	127,000	132,080	
	1125	ROA RNC (French)	Nairobi	P4	12	118,400	123,136	135,825	141,258	
	1126	RNC Europe/Central Asia	Paris	P3	12	0	0	136,500	119,354	
	1199	<i>Sub-total</i>					2,642,750	2,748,460	3,157,274	3,233,336
	1200	<i>Consultants (Description of activity/service)</i>								
	1201	Consultants (training of CAP staff)				0	60,000	0	0	
	1202	ROE Short-Term Experts	Geneva			0	0	0	0	
	1203	ROE Web Consultants	Geneva			0	0	0	0	
	1299	<i>Sub-total</i>					0	60,000	0	0
	1300	<i>Programme Assistance (General Service staff)</i>								
		Title/Description	Location	Level	m/m					
	1301	Secretary Chief	Paris	G6	12	74,000	76,960	80,038	83,240	
	1302	Assistant Network Manager	Paris	G5	12	67,000	69,680	72,467	75,366	
	1303	Assistant Clearinghouse	Paris	G6	12	67,000	69,680	72,467	83,240	
	1304	Assistant Monitoring & Administration	Paris	G5	12	67,000	69,680	72,467	75,366	
	1305	Assistant IS/RMP/CP	Paris	G5	12	67,000	69,680	72,467	75,366	
	1306	Assistant Programme	Paris	G5	12	67,000	69,680	72,467	75,366	
	1307	Assistant Data & Documentation	Paris	G5	12	67,000	69,680	72,467	75,366	
	1308	Mailroom Clerk	Paris	G4	12	59,500	0	0	0	
	1309	ROA RNC Assistant	Nairobi	G5	12	21,600	22,464	23,820	24,773	
	1310	ROA Office Assistant	Nairobi	G5	12	21,600	22,464	23,810	24,762	
	1311	ROLAC RNC Assistant	Mexico	G5	12	40,500	42,120	45,000	46,800	
	1312	ROLAC Office Assistant	Mexico	G5	12	40,500	42,120	45,000	46,800	
	1313	ROAP-SA RNC Assistant	Bangkok	G5	12	23,000	23,920	39,000	39,000	

						CAP 2002	CAP 2003	CAP 2004	CAP 2005
						Approved ExCom 36	Approved ExCom 38	Approved ExCom 41	
	1314	ROAP Office Assistant	Bangkok	G5	12	23,000	23,920	39,000	39,000
	1315	ROWA RNC Assistant	Bahrain	G5	12	35,000	36,400	36,400	37,856
	1316	ROWA Office Assistant	Bahrain		12	35,000	36,400	30,000	31,200
	1317	Temporary assistance CAP	Mexico and Paris			100,000	115,880	170,515	97,352
	1318	Assistant to RNC ECA	Paris	G5	6	0	0	0	37,683
	1399	<i>Sub-total</i>				875,700	860,728	967,385	968,534
	1600	<i>Travel on official business (UNEP staff)</i>							
	1601	Paris staff travel				250,000	200,000	200,000	208,000
	1602	ROA staff travel				50,000	90,000	120,000	150,000
	1603	ROLAC staff travel				50,000	80,000	95,000	98,800
	1605	ROAP-SA staff travel				40,000	75,000	78,000	81,120
	1606	ROWA staff travel				20,000	70,000	90,000	93,600
	1607	ECA staff travel				0	0	20,800	25,000
	1699	<i>Sub-total</i>				410,000	515,000	603,800	656,520
	1999	<b>COMPONENT TOTAL</b>				<b>3,928,450</b>	<b>4,184,188</b>	<b>4,728,459</b>	<b>4,858,390</b>
	20	<b>SUB CONTRACT COMPONENT</b>							
	2200	<i>Sub-contracts (MOUs/LAs for supporting organizations)</i>							
	2201	Sub-contracts with supporting organizations ROA				0	0	0	50,000
	2202	Sub-contracts with supporting organizations ROLAC				0	0	0	10,000
	2203	Sub-contracts with supporting organizations ROAP				0	0	0	10,000
	2204	Sub-contracts with supporting organizations ROWA				0	0	0	5,000
	2205	Sub-contracts with supporting organizations ECA				0	0	0	15,000
	2299	<i>Sub-total</i>				0	0	0	90,000
	2300	<i>Sub-contracts (for Commercial purposes)</i>							
	2301	Technical support for information systems				75,000	78,000	60,000	62,400
	2302	OzonAction Newsletter				100,000	104,000	135,000	140,400
	2303	Illustration/graphics/layout design				40,000	41,600	15,000	15,600
	2304	Exhibition/outreach				0	0	0	20,000
	2399	<i>Sub-total</i>				215,000	223,600	210,000	238,400
	2999	<b>COMPONENT TOTAL</b>				<b>215,000</b>	<b>223,600</b>	<b>210,000</b>	<b>328,400</b>
	30	<b>TRAINING COMPONENT</b>							
	3200	<i>Travel (South-South, North-South Experts)</i>							
	3202	ROA expert travel				0	20,000	30,000	31,200
	3203	ROLAC expert travel				0	20,000	30,000	31,200
	3204	ROAP expert travel				0	20,000	30,000	31,200
	3205	ROWA expert travel				0	15,000	30,000	31,200
	3207	ECA expert travel				0	0	15,000	25,000
	3299	<i>Sub-total</i>				0	75,000	135,000	149,800
	3300	<i>Meetings/conferences</i>							
	3301	Advisory and Consultative Meetings - Paris				75,000	78,000	81,120	84,365
	3302	ROA network meetings/thematic workshops				198,000	201,000	220,000	240,000
	3303	ROLAC network meetings/thematic workshops				145,000	145,800	160,000	166,400
	3304	ROAP-SEAP network meetings/thematic workshops				0	0	0	0
	3305	ROAP-SA network meetings/thematic workshops				56,000	60,000	80,000	83,200
	3306	ROWA network meetings/thematic workshops				56,000	65,000	70,000	72,800
	3307	ECA network meetings/thematic workshops				0	0	124,800	135,000
	3399	<i>Sub-total</i>				530,000	549,800	735,920	781,765
	3999	<b>COMPONENT TOTAL</b>				<b>530,000</b>	<b>624,800</b>	<b>870,920</b>	<b>931,565</b>
	40	<b>EQUIPMENT AND PREMISES COMPONENT</b>							
	4100	<i>Expendable equipment (items under \$1,500 each)</i>							
	4101	Office supplies - Paris				24,000	24,960	25,958	26,996
	4102	Office supplies - Regions				20,000	36,000	40,560	41,367
	4199	<i>Sub-total</i>				44,000	60,960	66,518	68,363
	4200	<i>Non-expendable equipment</i>							
	4201	Office equipment / computer - Paris				30,000	31,200	32,448	33,746

					<b>CAP 2002</b>	<b>CAP 2003</b>	<b>CAP 2004</b>	<b>CAP 2005</b>
					Approved ExCom 36	Approved ExCom 38	Approved ExCom 41	
	4202	Office equipment / computer - Regions			26,000	37,000	50,200	51,808
4299	<i>Sub-total</i>				56,000	68,200	82,648	85,554
4300	<i>Rental of premises</i>							
	4301	Office rental - Paris			220,000	228,800	300,000	332,000
	4302	Office rental - Regions			50,000	76,817	84,774	118,228
4399	<i>Sub-total</i>				270,000	305,617	384,774	450,228
4999	<b>COMPONENT TOTAL</b>				<b>370,000</b>	<b>434,777</b>	<b>533,940</b>	<b>604,145</b>
<b>50</b>	<b>MISCELLANEOUS COMPONENT</b>							
5100	<i>Operation and maintenance of equipment</i>							
	5101	Rental and maintenance of office equipment - Paris			50,000	52,000	54,080	56,243
	5102	Rental and maintenance of office equipment - Regions			30,000	37,000	33,400	34,336
5199	<i>Sub-total</i>				80,000	89,000	87,480	90,579
5200	<i>Reporting cost</i>							
	5201	Reporting costs			25,000	26,000	32,240	33,530
	5202	Translation - Regions			0	20,000	30,200	36,608
5299	<i>Sub-total</i>				25,000	46,000	62,440	70,138
5300	<i>Sundry</i>							
	5301	Communication & dissemination - Paris			160,000	166,400	173,056	179,978
	5302	Communication - Regions			40,000	59,000	88,360	90,974
5399	<i>Sub-total</i>				200,000	225,400	261,416	270,952
5400	<i>Hospitality</i>							
	5401	Hospitality			3,000	3,120	3,245	3,375
5499	<i>Sub-total</i>				3,000	3,120	3,245	3,375
5999	<b>COMPONENT TOTAL</b>				<b>308,000</b>	<b>363,520</b>	<b>414,581</b>	<b>435,044</b>
<b>99</b>	<b>TOTAL DIRECT PROJECT COST</b>				<b>5,351,450</b>	<b>5,830,885</b>	<b>6,757,900</b>	<b>7,157,544</b>
	<i>Programme support costs (8%)</i>				428,116	466,471	540,632	572,604
	<b>GRAND TOTAL</b>				<b>5,779,566</b>	<b>6,297,356</b>	<b>7,298,532</b>	<b>7,730,148</b>



**Annex VI**

**AGREEMENT BETWEEN CHINA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL METHYL BROMIDE PHASE-OUT PLAN**

1. At its 44th Meeting, the Executive Committee:
  - (a) Approved in principle the national plan for the phase-out of methyl bromide in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,279,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy); and
  - (b) Noted that the amount approved in principle included US \$4,086,600 plus agency support costs of US \$306,495 that was previously approved for UNIDO at the 41st Meeting to phase-out of 389 ODP tonnes of methyl bromide as the first tranche of a future national plan for the phase-out of methyl bromide in the consumption sector in China.
  
2. As reported to the Ozone Secretariat and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline consumption for China is 1,102.1 ODP tonnes. China's methyl bromide consumption in 2002 was 1,087.8 ODP tonnes. Accordingly, China must reduce its consumption of methyl bromide in 2005 to no more than 881.7 ODP tonnes to achieve compliance with the Montreal Protocol's 20 per cent reduction in 2005.
  
3. Through the implementation of the national plan for the phase-out of methyl bromide in the consumption sector, the Government of China commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the levels indicated in Table 1:

**Table 1**

Year	Amount of methyl bromide to be phased-out (ODP tonnes)			Maximum allowable level of consumption (ODP tonnes)*
	Total	UNIDO	Italy	
2002	0.0	0.0	0.0	1,087.8
2003	0.0	0.0	0.0	1,087.8
2004	0.0	0.0	0.0	1,087.8
2005	207.8	207.8	0.0	880.0
2006	156.2	156.2	0.0	723.8
2007	153.2	65.2	88.0	570.6
2008	180.6	124.6	56.0	390.0
2009	140.0	0.0	140.0	250.0
2010	41.0	0.0	41.0	209.0
2011	33.0	0.0	33.0	176.0
2012	26.0	0.0	26.0	150.0
2013	50.0	0.0	50.0	100.0
2014	50.0	0.0	50.0	50.0
2015	50.0	0.0	50.0	0.0
Total	1,087.8	553.8	534.0	

\*Excluding any exemptions for quarantine and pre-shipment applications and critical uses.

4. The Government of China has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government of China.

5. China also commits to permanently sustain the consumption levels indicated above through import restrictions and other policies it may deem necessary. UNIDO and the Government of Italy shall report annually to the Executive Committee on the progress respectively achieved in meeting the reductions required by the project.

6. In exchange for the funding level specified in Table 2 below, China commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in Table 1 above, with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

**Table 2.**

Year	Funding disbursement (US\$)						
	UNIDO		Italy		Total		
	Project cost	Support cost	Project cost	Support cost	Project cost	Support cost	Grand total
2003*	4,086,600	306,495			4,086,600	306,495	4,393,095
2004							
2005			4,000,000	470,000	4,000,000	470,000	4,470,000
2006							
2007	1,200,000	90,000			1,200,000	90,000	1,290,000
2008	1,800,000	135,000			1,800,000	135,000	1,935,000
2009	1,300,000	97,500			1,300,000	97,500	1,397,500
2010	600,000	45,000			600,000	45,000	645,000
2011	500,000	37,500			500,000	37,500	537,500
2012	500,000	37,500			500,000	37,500	537,500
2013	500,000	37,500			500,000	37,500	537,500
2014	302,742	22,706			302,742	22,706	325,448
Total	10,789,342	809,201	4,000,000	470,000	14,789,342	1,279,201	16,068,543

\* Fund approved at the 41st Meeting of the Executive Committee.

7. The Government of China, in agreement with UNIDO and the Government of Italy, will have the flexibility to organize and implement the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. UNIDO and the Government of Italy agree to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. UNIDO and the Government of Italy shall also report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

8. The funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other methyl bromide consumption sector projects or any related activities in China.



## Annex VII

### AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN CUBA

1. The Executive Committee at its 26th Meeting approved a project to phase out 48 ODP tonnes of methyl bromide used in the tobacco sector at a total cost of US \$1,673,324, to be implemented by UNIDO. The project was completed in December 2002 and 48 ODP tonnes of methyl bromide were phased-out. The Government of Cuba has also issued regulations banning the use of methyl bromide in the tobacco sector.

2. The Executive Committee at its 44th Meeting approved in principle an additional US \$537,763 as the total funds that will be available to Cuba to achieve the complete phase-out of methyl bromide used for soil fumigation in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities (24.1 ODP tonnes), representing the total consumption of controlled uses of methyl bromide.

3. As reported to the Ozone Secretariat, the methyl bromide baseline for Cuba is 50.47 ODP tonnes and reported consumption for 2003 is 24 ODP tonnes. Cuba therefore appears to be in compliance with the Montreal Protocol's 20 per cent reduction, since allowable consumption for 2005 is 40.4 ODP tonnes.

4. Reductions in accordance with the terms of the project in horticulture, flowers and ornamentals, coffee nurseries, storage and food facilities, and other commitments presented in the project document, would ensure that Cuba would meet the reduction schedule outlined below. In that regard, Cuba commits through the implementation of the projects, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption:

2005	24.1 ODP tonnes
2006	16.2 ODP tonnes
2007	8.4 ODP tonnes
2008	0.0 ODP tonnes

5. Funding for the projects will be disbursed by UNIDO in three instalments: US \$215,105 in 2005, US \$161,329 in 2006, and US \$161,329 in 2007. Funding disbursement for the project will be conditional on the achievement of project milestones and the specific reduction schedule outlined above. In case of unjustified delays, UNIDO will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the projects may be cancelled.

6. The Government of Cuba, in agreement with UNIDO, will have flexibility in organizing and implementing the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure that the specific methyl bromide reductions are achieved.



## **Annex VIII**

### **AGREEMENT BETWEEN LEBANON AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF ANNEX-A, GROUP-I SUBSTANCES (CFCS)**

1. This Agreement represents the understanding between Lebanon (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of ozone depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2009.
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 (the “Targets, and Funding”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Action Plan approved at the Fifteenth Meeting of the Parties to 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 5 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding 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 (the “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 (the “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 will have maximum flexibility for allocating the approved funding in a way that is determined to be the best for achieving the project objectives and compliance obligations and may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all the Appendix 1-A 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. At 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 Annex A Group I substances 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 to facilitate implementation of this Agreement. In particular, it will provide access by the Lead IA to information necessary to verify compliance with this Agreement.

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

### Appendix 1-A: The Substances

Annex-A, Group-I: CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115

### Appendix 2-A: The Targets and Funding

Row	Milestone/Parameter	2004	2005	2006	2007	2008	2009	Total
1.	Compliance Milestone* (ODP tonnes)		362		109			
2.	Maximum allowable consumption of Annex-A Group-I substances (ODP tonnes)	499	362	235	75	35	0	
3.	Reduction from ongoing projects (ODP tonnes)	82	0	0	0	0	0	82
4.	New reduction under the Plan (ODP tonnes)	55**	127	160	40	35	0	417
5.	Total Annual Reduction of Annex-A Group-I substances (ODP tonnes)	137	127	160	40	35	0	499
6.	Lead IA (US \$)	1,061,420	500,000	365,000	100,000	65,000	0	2,091,420
7.	Support Costs (US \$)	79,607	37,500	27,375	7,500	4,875		156,857
8.	Total Cost to Multilateral Fund (US \$)	1,141,027	537,500	392,375	107,500	69,875	0	2,248,277

\*According to the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol.

\*\* New reduction in 2004 is unfunded.

### Appendix 3-A: Funding Approval Schedule

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

**Appendix 4-A: Format for Annual Implementation Programme**

1. **Data**

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

2. **Targets**

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

\* 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)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>Grand Total</b>						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_  
 Objective: \_\_\_\_\_  
 Target Group: \_\_\_\_\_  
 Impact: \_\_\_\_\_

5. **Government Action**

<b>Policy/Activity Planned</b>	<b>Schedule of Implementation</b>
Type of Policy Control on ODS Import: servicing, etc	
Public Awareness	
Others	

6. **Annual Budget**

<b>Activity</b>	<b>Planned Expenditures (US \$)</b>
<b>TOTAL</b>	

7. **Administrative Fees**

**Appendix 5-A: Monitoring Institutions and Roles**

1. The monitoring process will be covered by the Ministry of Environment through the Ozone Office.
2. The consumption will be monitored through receiving the data from relevant government departments and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, the Ozone Office and the Implementation Team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.
3. The reporting process will be responsibility of the Ozone Office. They have to timely collect and analyze all information and regularly submit the following reports:
  - (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat;
  - (b) Annual reports on progress of implementation of NPMP to be submitted to the Executive Committee of the Multilateral Fund; and
  - (c) Project-related reports to the Lead IA.

4. Concerning the evaluation process, the Ministry of Environment and the Lead IA will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.
6. The consultant will prepare and submit to the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually. After consideration by the Lead IA the reports will be sent to the Ozone Office and the Implementation Team for consideration and follow up.
7. The responsibilities of the consultant will also include:
  - (a) Development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
  - (b) Take into consideration comments from the Lead IA and the Ozone Office to the reports and react accordingly; and
  - (c) Assist in the organization and participate in possible evaluation visits by the Lead IA or the Multilateral Fund Secretariat.
8. On the other hand, the Lead IA should:
  - (a) Provide the independent consultant with all relevant information;
  - (b) Provide the consultant with necessary support and advice;
  - (c) Consider and comment on the submitted reports in a timely manner
  - (d) Control the performance of the consultant in the most suitable manner.

#### **Appendix 6-A: Role of the Lead IA**

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 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 preparing an Annual Implementation Programme for the year of submission to the Executive Committee;
- (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 eliminated in accordance with the Targets;
- (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 7-A: Reductions in Funding for Failure to Comply**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$13,365 per ODP tonne of reductions in consumption not achieved in the year.



## **Annex IX**

### **AGREEMENT BETWEEN PANAMA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF ANNEX A GROUP I OZONE-DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of the Republic of Panama (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 (“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 10 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding 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;
  - (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 and Institutions 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 refrigeration servicing subsector:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration-servicing sector will 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 in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP (the “Lead IA”) has agreed to be the lead implementing agency and UNEP (“Cooperating IA”) has agreed to be 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 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out 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 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

**APPENDIX 2-A - THE TARGETS AND FUNDING**

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>Total</b>
Montreal Protocol Reduction Schedules	384.20	192.10	192.10	57.63	57.63	57.63	n.a.
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	168.42	131.97	65.98	37.22	18.61	0	n.a.
2. Reduction from ongoing projects (ODP tonnes)	0	0	0	0	0	0	0
3. New reduction under the plan (ODP tonnes)	0	36.45	65.99	28.76	18.61	18.61	168.42
4. Unfunded reductions (ODP tonnes)	0	0	0	0	0	0	0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0	36.45	65.99	28.76	18.61	18.61	168.42
6. Lead IA agreed funding (US\$)	250,152	238,000	200,000	184,000	71,000	0	943,152
7. Lead IA support costs (US\$)	18,762	17,850	15,000	13,800	5,325	0	70,737
8. Co-operating IA agreed funding (US\$)	25,000	15,000	10,000	0	0	0	50,000
9. Co-operating IA support costs (US\$)	3,250	1,950	1,300	0	0	0	6,500
10. Total agreed funding (US \$)	275,152	253,000	210,000	184,000	71,000	0	993,152
11. Total agency support costs (US \$)	22,012	19,800	16,300	13,800	5,325	0	77,237
12. Total grant for tranche (US\$)	297,164	272,800	226,300	197,800	76,325	0	1,070,389

**APPENDIX 3-A FUNDING APPROVAL SCHEDULE**

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

**APPENDIX 4-A      FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES**

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**

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

\* 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)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

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 \$)
<b>TOTAL</b>	

7. **Administrative Fees**

## **APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and monitoring", which is included within this National Phase-out Plan. The actual monitoring activities will be delegated to Ozone Unit of the Ministry of Health, and they will be developed by a personnel hired for this purpose.
2. The success of the monitoring programme will be based on three axes: 1) Well designed forms for data collection, evaluation and reporting, 2) Regular programme of monitoring visits, and 3) Appropriate cross-checking of information from different sources.

### Verification and Reporting

3. The outcome of the different elements of the National Phase-out Plan and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

### Institution for conducting the verification:

4. The Government of Panama wishes to designate UNDP, with the support of UNEP, as the organizations to carry out the verification of the National Phase-out Plan results and the monitoring programme.

### Frequency of verification and reporting:

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

## **APPENDIX 6-A -ROLE OF THE LEAD 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 preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (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 eliminated 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 Co-operating IA will be responsible for:
  - (a) Assisting the Country in the implementation and verification of the activities to be undertaken by the Lead IA as funded in row 8 of Appendix 2-A and as specified in the project document;
  - (b) Ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) Reporting to the Lead IA on these activities; and
  - (d) Providing assistance relating to the activities being undertaken when required.

#### **APPENDIX 7-A      REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,780 per ODP tonne of reductions in consumption not achieved in the year.

## **Annex X**

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

1. This Agreement represents the understanding of Sudan (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, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in 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 13 of Appendix 2-A 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;
  - (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 refrigeration servicing subsector:

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration servicing sector will 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 in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead 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 the row 14 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out 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 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 and CTC 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 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**

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

Annex	Group	Chemical
A	I	CFCl <sub>3</sub> (CFC-11), CF <sub>2</sub> Cl <sub>2</sub> (CFC-12)
B	II	CCl <sub>4</sub> , Carbon tetrachloride
B	III	C <sub>2</sub> H <sub>3</sub> Cl <sub>3</sub> , 1,1,1-trichloroethane (methyl chloform)

**APPENDIX 2-A THE TARGETS, AND FUNDING\***

	2004	2005	2006	2007	2008	2009	2010	Total
1. Montreal Protocol Reduction Schedule of CFCs (ODP tonnes)	456.8	228.4	228.4	68.52	68.52	68.52	0	
2. Max allowable total consumption of CFCs (ODP tonnes)	216	200	130	65	45	25	0	
3. Reduction of CFCs from on-going projects (ODP tonnes)	0	0	0	0	0	0	0	0
4. New reduction of CFCs under plan (ODP tonnes)	0	16	70	65	20	20	25	216
5. Unfunded reductions of CFCs (ODP tonnes)	-	-	-	-	-	-	-	-
6. Total annual reduction of CFCs (ODP tonnes)	0	16	70	65	20	20	25	216
7. Montreal Protocol Reduction Schedule of CTC (ODP tonnes)	n.a.	0.33	0.33	0.33	0.33	0.33	0	
8. Max allowable total consumption of CTC (ODP tonnes)	1.1	0.33	0	0	0	0	0	
9. Reduction of CTC from on-going projects (ODP tonnes)	0	0	0	0	0	0	0	
10. New reduction of CTC under plan (ODP tonnes)	0	0.77	0.33	0	0	0	0.33	
11. Unfunded reductions of CTC (ODP tonnes)	-	-	-	-	-	-	-	-
12. Total annual reduction of CTC (ODP tonnes)	0	0.77	0.33	0	0	0	0.33	
13. Lead IA agreed funding (US \$)	499,480	0	220,000	220,000	200,000	0	0	1,139,480
14. Lead IA support costs (US \$)	37,461	0	16,500	16,500	15,000	0	0	85,461
15. Total agreed funding (US \$)	536,941	0	236,500	236,500	215,000	0	0	1,224,941

\* The consumption of Annex B, Group II substance (1,1,1-trichloroethane) was negligibly small and the Government of Sudan reported as nil. However, the Government agrees to ensure the total phase-out of this substance under the present Agreement.

**APPENDIX 3-A FUNDING APPROVAL SCHEDULE**

Funding will be considered for approval at the last meeting of the year preceding the year of the annual implementation plan.

**APPENDIX 4-A FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES**

**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**

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

\* 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)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

**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 \$)
<b>TOTAL</b>	

**7. Administrative Fees**

## **APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES**

1. The NOU monitors the consumption data of all ODS. Inspections at reconverted companies are foreseen to ensure the non-uses of CFCs after project completion. The licensing system will be a tool to monitor and ensure compliance with control measures.
2. The Government has offered and intends continuing to offer continuity of activities and endorsement for the projects through the National Ozone Unit over the next years. This will guarantee the success of any activity approved for Sudan.
3. After the establishment of a countrywide system for reuse of ODS, the monitoring activity will be initiated to confirm that the project is being successfully implemented and that the CFC phase-out target is achieved.
4. The monitoring activity will include:
  - (a) Establishing a system in conjunction with the counterpart institute to ensure that every recycling/reclaim centre and service workshop is encouraged or obliged to report data and other information concerning the recovery, recycling and reclamation scheme. This will be enabled through forms to be filled by reclaim centres and service workshops.
  - (b) Setting up adequate office facilities including a computer system to collect and analyse the data.
  - (c) Communicating regularly with the counterpart institute.
  - (d) Occasional visits to workshops and reclaim centres.
  - (e) Communicating regularly with customs offices.
5. Information will be collected from recycling centres and workshops in terms of CFC quantity and material price and cost.

## **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 preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
- (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 eliminated 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 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,500 per ODP tonne of reductions in consumption not achieved in the year.

## **Annex XI**

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

1. This Agreement represents the understanding between Indonesia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 1 January 2010, in compliance with Protocol schedules. It includes and supersedes the Agreement between the Executive Committee and Indonesia entered into at the 38<sup>th</sup> Meeting for the total phase-out of CFCs in the refrigeration sector in Indonesia.
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 (“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, other than funding for the MDI sector, which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in Appendix 2-A 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;
  - (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 Refrigeration 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 recycling programme for the Refrigeration Servicing Sector will be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (“Lead IA”) and the World Bank and UNIDO (“Co-operating IAs”) have agreed to be co-operating Implementing Agencies under the lead of the Lead IA in respect the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Co-operating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 13, 15, 17, 19, 21, 23 and 27 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the 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 to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA and the Co-operating IAs to information necessary to verify compliance with this Agreement.

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

**Appendix 1-A: The Substances**

<b>Annex</b>	<b>Group</b>	<b>Chemical</b>
Annex A	Group I	CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115
Annex B	Group II	CTC
Annex B	Group III	TCA

## Appendix 2-A: The Targets and Funding

Parameter	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	
1. Compliance Milestone				4,166		1,250			0		
1-A. Maximum Allowable Annual Consumption of the Substances (ODP tonnes)			5,546	3,880	2,331	1,122	30	30	0	N/A	
2. Total Annual Reductions of the Substances (ODP tonnes)		779	1,666	1,549	1,209	1,092	0	30	0	6,325	
3. Annual Reduction from on-going projects (ODP tonnes)		559	976	652	300	100	0			2,587	
4. Annual CFC phase-out target in the Refrigeration Manufacturing Sector – UNDP (ODP tonnes)	0	0	300	300	300	241	0			1,141	
5. Annual CFC phase-out target in the Refrigeration Servicing Sector - UNDP (ODP tonnes)	0	0	200	300	322	250	0			1,072	
6. Annual CFC phase-out target in the MAC Sector – World Bank (ODP tonnes)	0	220	110	110	110	365	0			915	
7. Annual CFC phase-out target in the Aerosols Sector – UNDP/World Bank (ODP tonnes)	0	0	80	0	0	70	0			150	
8. Annual CFC phase-out target in the Foams Sector – World Bank (ODP tonnes)	0	0	0	130	156	66	0			352	
9. Annual CFC phase-out target in the MDI Sector – World Bank (ODP tonnes)	0	0	0	0	0	0	0	30		30	
10. Annual CFC phase-out target in the Solvent Sector – UNIDO (ODP tonnes) +	0	0	0	57	21	0	0			78	
11. Annual Reduction through sector plans (ODP tonnes)	0	220	690	897	909	992	0	30		3,738	
Annual Funding Instalments (US\$)	12. UNDP (Refrigeration Manufacturing)	1,288,000	2,200,000	1,762,000	750,000	217,000	181,000	-	-	-	6,398,000
	13. Support Cost	111,920	194,000	156,900	67,500	19,530	16,290	-	-	-	566,140
	14. UNDP (Refrigeration Servicing)	2,196,758	1,805,987	500,000	250,000	159,555	-	-	-	-	4,912,300
	15. Support Cost	195,708	160,939	43,400	21,300	13,160	-	-	-	-	434,507
	16. World Bank (MAC)	1,369,800	1,347,300	1,347,300	126,800	125,800	-	-	-	-	4,317,000
	17. Support Cost	121,962	119,937	119,937	10,092	10,002	-	-	-	-	381,930
	18. World Bank (Aerosols)			371,910							371,910
	19. Support Cost			27,893							27,893
	20. UNDP (Aerosols)			224,000							224,000
	21. Support Cost			13,440							13,440
	22. World Bank (Foam)	0	0	1,725,000	1,050,000	147,564	35,000	-	-	-	2,957,564
	23. Support Cost	0	0	129,375	78,750	11,067	2,625	-	-	-	221,817
	24. (MDI)	*	*	*	*	*	*			*	*
25. Support Cost	*	*	*	*	*	*			*	*	
26. UNIDO (Solvent)			1,464,733							1,464,733	
27. Support Cost			108,974							108,974	
28. Total Annual Funding Instalments (US\$)	4,854,558	5,353,287	7,394,943	2,176,800	649,919	216,000	-	-	-	20,645,507	
29. Total Support Costs (US\$)	429,590	474,876	599,919	177,642	53,759	18,915	-	-	-	1,754,701	
30. Total Costs to MLF	5,284,148	5,828,163	7,994,862	2,354,442	703,678	234,915	-	-	-	22,400,208	

+ Phase out targets in the Solvent Sector (UNIDO) also include 5.6 ODP tonnes of 1,1,1 trichloroethane (TCA) and 16.5 ODP tonnes of carbon tetrachloride (CTC) NOT reflected in the above table. 3.0 and 2.6 ODP tonnes of TCA will be phased out in 2005 and 2006 respectively. 16.5 ODP tonnes of CTC will be phased out in 2005. There will be no further consumption of CTC and TCA after 2005 and 2006 respectively.

\* Funding for the MDI Sector is not considered in this Agreement and the country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund, as stipulated in paragraph 2 of the Agreement.

### Appendix 3-A: Funding Approval Schedule

Funding will be considered for approval at the last meeting of the year preceding the year of the annual programme.

### Appendix 4-A: Format for Annual Implementation Programmes

#### 1. Data

Country		Indonesia
Year of plan		
Number of years completed		
Number 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 (US\$)	Refrigeration      Manufacturing (UNDP)	
	Refrigeration Servicing (UNDP)	
	MAC (World Bank)	
	Aerosol (UNDP/World Bank)	
	Foam (World Bank)	
	Solvent (UNIDO)	
	MDI	
<b>Total</b>		
Lead implementing agency		UNDP
Co-operating agency (ies)		World Bank, UNIDO

#### 2. Targets

Indicators		Preceding Year (2004)	Year of Plan (2005)	Reduction
<b>Supply of ODS in Sector (ODP tonnes)</b>	Import			
	Production *	N/A	N/A	N/A
	<b>Total (1)</b>			
<b>Demand of ODS in Sector (ODP tonnes)</b>	Manufacturing			
	Servicing			
	Stock piling	N/A	N/A	N/A
	<b>Total (2)</b>			

\* For ODS-producing countries

### 3. Industry Action

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1) - (2)	No. of Projects Complete	Number of Servicing Related Activities	ODS Phase-Out (ODP tonnes)
Refrigeration Manufacturing						
Refrigeration Servicing						
MAC						
Aerosol						
Foam						
Solvent						
<b>Total</b>						

### 4. Technical Assistance

Activity	
Objective	
Target group	
Impact	
Activity	
Objective	
Target group	
Impact	
Activity	
Objective	
Target group	
Impact	

### 5. Government Action

Policy/Activity Planned	Schedule of Implementation
Type of Policy Control on ODS Import	
Public Awareness	
Others	

### 6. Annual Budgets

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

### 7. Administrative costs

## **Appendix 5-A: Monitoring Institutions and Roles**

1. The monitoring process will be covered by the Ministry of Environment through the Ozone Office.
2. The consumption will be monitored through receiving the data from relevant government departments and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, the Ozone Unit and the Implementation Team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.
3. The reporting process will be responsibility of the Ozone Unit. They have to timely collect and analyze all information and regularly submit the following reports:
  - (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat;
  - (b) Annual reports on progress of implementation of the National Phase-out Management Plan to be submitted to the Executive Committee of the Multilateral Fund; and
  - (c) Project-related reports to the Lead IA.
4. Concerning the evaluation process, the Ministry of Environment and the Lead IA will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.
6. The consultant will prepare and submit to the Lead IA reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures annually. After consideration by the Lead IA the reports will be sent to the Ozone Office and the Implementation Team for consideration and follow up.
7. The responsibilities of the consultant will also include:
  - (a) Development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
  - (b) Take into consideration comments from the Lead IA and the Ozone Office to the reports and react accordingly; and
  - (c) Assist in the organization and participate in possible evaluation visits by the Lead IA or the Multilateral Fund Secretariat.

8. On the other hand, the Lead IA should:
  - (a) Provide the independent consultant with all relevant information;
  - (b) Provide the consultant with necessary support and advice;
  - (c) Consider and comment on the submitted reports in a timely manner
  - (d) Control the performance of the consultant in the most suitable manner.

#### **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 preparing an Annual Implementation Programme for the year for submission to the Executive Committee;
  - (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
  - (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
  - (j) Coordinating activities with the cooperating IA;
  - (k) Ensuring that disbursements made to the Country in a timely and effective manner; and

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

#### **Appendix 6-B: Role of the Cooperating Implementing Agencies**

1. The Cooperating IAs will be responsible for:
  - (a) Assisting the Country in the implementation and verification of the activities to be undertaken by them as funded in rows 16, 18, 22 and 26 of Appendix 2-A and as specified in the project document;
  - (b) Ensuring that disbursements are made to the Country in a timely and effective manner;
  - (c) Providing assistance relating to the activities being undertaken when required; and
  - (d) Coordinating all activities with the Lead IA and providing any requested information and progress reports on the implementation of the activities in the sectors covered by Cooperating IAs (Aerosols, Foams, MAC and Solvents).

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

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,136 per ODP tonnes of reductions in consumption not achieved in the year.



**Annex XII**

**AGREEMENT BETWEEN THAILAND AND THE EXECUTIVE COMMITTEE FOR  
THE NATIONAL METHYL BROMIDE PHASE-OUT PLAN**

1. At its 44th Meeting, the Executive Committee approved in principle a total of US \$2,901,600, excluding agency support costs, as the total funds that will be available to Thailand to achieve the phased reduction and complete phase-out of all controlled uses of methyl bromide (241.8 ODP tonnes). This amount is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol's mechanism for dealing with non-compliance.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the Methyl Bromide baseline for Thailand is 183.14 ODP tonnes. Thailand's methyl bromide consumption in 2002 was 241.8 ODP tonnes, excluding 228.6 ODP tonnes that was used for quarantine and pre-shipment applications. Accordingly, Thailand must reduce its consumption of methyl bromide in 2004 to 183.14 ODP tonnes to achieve compliance with the Montreal Protocol's 2002 freeze obligation, and to 146.4 ODP tonnes to achieve compliance with the Protocol's 20 per cent reduction in 2005.

3. Through the implementation of the national methyl bromide phase-out plan, the Government of Thailand commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the following levels:

Year	Maximum level of consumption of controlled uses of methyl bromide (ODP tonnes)*
2002**	241.8
2004	183.1
2005	146.6
2006	146.6
2007	146.6
2008	146.6
2009	73.3
2010	73.3
2011	36.6
2012	18.3
2013	0

\*Excluding any exemptions for quarantine and pre-shipment applications and critical uses.

\*\* Implementation of the national methyl bromide phase-out plan will ensure that Thailand returns to compliance with its Montreal Protocol methyl bromide obligations by 2004.

4. The Government of Thailand has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Thailand commits to permanently sustain the consumption levels indicated in the above table through the use of import restrictions and other policies that it may deem necessary. In exchange for the funding level specified below, Thailand commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in the above table:

Year	Funding (US\$)	Agency support costs( US \$)	Total (US \$)
2004	546,991	41,024	588,015
2006	1,412,214	105,916	1,518,130
2008	942,395	70,680	1,013,075

6. The Government of Thailand, in agreement with the World Bank, will have the flexibility to organize and implement the project components that it deems most important in order to meet the methyl bromide phase-out commitments noted above. The World Bank agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. The World Bank shall also report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

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

**Annex XIII**

**AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN MOROCCO**

1. The Executive Committee:
  - (a) At its 29th Meeting, approved US \$1,006,652 as the total funds available to Morocco to achieve the complete phase-out of methyl bromide (MB) used in cut flowers and banana production (61 ODP tonnes);
  - (b) At its 32nd Meeting, approved an additional US \$2,189,729 as the total funds that will be available to Morocco to achieve the complete phase-out of MB used in the strawberry sector (additional 151.6 ODP tonnes); and
  - (c) At its 34th Meeting, approved in principle an additional US \$3,957,844 as the total funds that will be available to Morocco to achieve the complete phase-out of MB used in the tomato sector (additional 389.9 ODP tonnes).
  - (d) At its 44th Meeting, agreed to endorse a change of technology in the tomato sector from the negative pressure steam pasteurization proposed in the original project to grafting technology, and to revise the project cost from US \$3,957,844 to US \$3,912,949.
  
2. As reported to the Ozone Secretariat, the methyl bromide baseline is 697.10 ODP tonnes. Despite an increase in methyl bromide consumption in 2000 (870.20 ODP tonnes) and 2001 (1,621.4 ODP tonnes), Morocco achieved the Protocol's freeze obligation in 2003, reducing MB consumption to 672.2 ODP tonnes.
  
3. Through the implementation of the above investment projects, the Government of Morocco commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the following levels:

Year	Maximum level of methyl bromide consumption by crop (ODP tonnes)				
	Strawberry	Banana, flowers	Tomato	Total phased out	Total
2001	23.4	-	-	23.4	744.0
2002	15.6	40.0	-	55.6	688.4
2003	20.4	21.0	34.1	75.5	612.9
2004	42.2	-	-	42.2	570.7
2005	50.0	-	39.0	89.0	481.7
2006	-	-	56.4	56.4	425.3
2007	-	-	78.0	78.0	347.3
2008	-	-	86.4	86.4	260.9
2009	-	-	96.0	96.0	164.9
Total	151.6	61.0	389.9	602.5	

4. Upon completion of the projects, the maximum methyl bromide consumption in Morocco shall not exceed 164.9 ODP tonnes. Morocco also commits to permanently sustain the consumption levels indicated above through import restrictions and other policies it may deem necessary. UNIDO shall report annually to the Executive Committee on the progress achieved in meeting the reductions required by the projects.

5. For the implementation of the tomato sector MB phase-out project, after the initial disbursement of US \$400,000 in the year 2001, funding will be disbursed by UNIDO in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

2004	US \$607,513(disbursed in 2004)
2005	US \$1,670,995
2006	US \$411,633
2007	US \$424,381
2008	US \$398,427

6. The Government of Morocco will have flexibility in implementing the project components it considers important to meet its phase-out commitments. UNIDO agrees to manage the funding for the projects in a manner designed to ensure that the agreed specific annual reductions are met.

7. These agreed conditions between the Government of Morocco and the Executive Committee have taken into account the already approved methyl bromide phase-out projects in the cut flower, banana and strawberry sector and, therefore, supersede the agreements approved at the 32nd and 34th meetings of the Executive Committee.

**Annex XIV**

**AGREEMENT BETWEEN CHINA AND  
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND  
FOR THE PHASE-OUT OF CFCs IN THE REFRIGERATION SERVICING SECTOR**

1. This Agreement represents the understanding of China (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the refrigeration-servicing sector in the country set out in Appendix 1-A (the “Substances”) prior to 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out Targets set out in 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 other than funding for the MDI and Pharmaceutical Aerosol sectors, which are not considered in this Agreement. The country reserves the right to request funds for the MDI and Pharmaceutical Aerosol sectors in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 10 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding 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 Targets for the applicable year;
  - (b) That the meeting of the Targets set out in Appendix 2-A Row 1 (Max Allowable total consumption of CFC-12) has been independently verified as described in paragraph 9, and that the meeting of targets set out in Appendix 2-A Row 2 (Total consumption of CFCs in the refrigeration servicing sector) has been confirmed through monitoring and auditing activities undertaken by the Country as listed in Appendix 5-A (“Monitoring Institutions and Roles”);

- (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 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 refrigeration 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 recycling programme for the refrigeration servicing sector will 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, in case where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (“Lead IA”) and Japan has agreed to be a co-operating implementing agency (“Co-operating IA”) 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 Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. 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 Co-operating IA with the fees set out in rows 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out 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 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 total consumption of CFCs, in the servicing sector 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**

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

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

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	57,818.7	28,909.3	28,909.3	8,672.8	8,672.8	8,672.8	0	n/a
Max allowable total consumption of CFCs <sup>(1)</sup> (ODP tonnes)	25,300 <sup>(2)</sup>	18,750	13,500	7,400	550	550	0 <sup>(4)</sup>	n/a
1. Max allowable total National Consumption of CFC-12 [production-exports+imports] (ODP tonnes)	6,934 <sup>(2)</sup>	5,713	5,637	5,805	406	406	0 <sup>(4)</sup>	n/a
2. Total consumption of CFCs in the refrigeration servicing sector (ODP tonnes)	5,083 <sup>(2)</sup>	4,572	3,790	2,997	2,317	1,786	1,181 <sup>(3)</sup>	n/a
3. Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0
4. New reduction under plan (ODP tonnes)	0.0	511	782	793	680	531	605	3,902
5. Total annual reduction (ODP tonnes)	0.0	511	782	793	680	531	605	3,902
6. Lead I.A. agreed funding	1,000,000		700,000	700,000	700,000	785,000	0	3,885,000
7. Lead I.A. support costs	75,000	0	52,500	52,500	52,500	58,880	0	291,380
8. Co-operating I.A. agreed funding	1,000,000	3,000,000						4,000,000
9. Co-operating I.A. support cost	130,000	390,000						520,000
10. Total agreed funding (US \$ million)	2,000,000	3,000,000	700,000	700,000	700,000	785,000	0	7,885,000
11. Total agency support costs (US \$ million)	205,000	390,000	52,500	52,500	52,500	58,880	0	811,380

(1) According to the "Accelerated CFC and Halons Phase-out Plan in China", including CFCs Annex A, Groups I and II.

(2) Estimate.

(3) Service tail requirement to be covered from stockpile.

(4) Except for essential uses as agreed by Parties.

## Appendix 3-A FUNDING APPROVAL SCHEDULE

Funding will be considered for approval at the last meeting of the year preceding the year of the annual programme.

## Appendix 4-A ANNUAL IMPLEMENTATION PROGRAMME

### 1. Data

Country

Year of plan

# of years completed

# of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency(ies)

### 2. Targets

<b>Target:</b>				
<b>Indicators</b>		<b>Preceding Year, 2003</b>	<b>Year of Plan, 2004</b>	<b>Reduction</b>
Supply of ODS	Import			
	Production*			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

\* 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)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy Control on ODS Import	
Public Awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

7. **Administrative Fees**

## **Appendix 5-A MONITORING INSTITUTIONS AND ROLES**

1. The State Environmental Protection Administration (SEPA) will monitor the consumption data of all ODS and the implementation activities of the Plan. Inspections at converted companies by the IAs and SEPA are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.
2. The Country will ensure continuity of activities and their endorsement for the efficient implementation of the projects as well as verification of consumption through the institutional support component. This will guarantee the success of any activity approved for the Country under this Agreement.
3. In addition to the establishment of the country-wide scheme for refrigerant recovery and recycling, the monitoring component will be initiated to determine whether the project is successfully implemented and whether the CFC phase-out target is achieved.
4. The monitoring component will include the following activities:
  - (a) Establishing a system to ensure that every recycling and reclamation centre and substantive-size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
  - (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
  - (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
  - (d) Occasional visits to service workshops, recycling and reclamation centres; and
  - (e) Providing access and support as well as bearing the cost of independent audits required for the verification of CFC consumption.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive-size service workshops.

### CFC quantity

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

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

#### Cost information

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

6. The collected data and information will be analysed to check for the adequate operations of the scheme.

### **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 the rules and guidelines of the Multilateral Fund, and with specific internal procedures and requirements as set out in the refrigeration servicing sector 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 preparing an Annual Implementation Programme for the year for submission to the Executive Committee at its last meeting 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 eliminated in accordance with the Targets;
- (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 Co-operating IA will be responsible for:
  - (a) Assisting the Country in the implementation and verification of the activities to be undertaken by the Lead IA as funded in row 8 of Appendix 2-A and as specified in the project document;
  - (b) Ensuring that disbursements are made to the country through the Lead IA in a timely and effective manner;
  - (c) Reporting to the Lead IA on these activities and
  - (d) Providing assistance relating to the activities being undertaken when required.

#### **Appendix 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in national CFC-12 consumption not achieved in the year.



## **Annex XV**

### **AGREEMENT BETWEEN KENYA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL PHASE-OUT OF ANNEX A (GROUP I) SUBSTANCES**

1. This Agreement represents the understanding of Kenya (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 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 2 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 6 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding 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 (the “Form of Annual Implementation Programme”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring 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; and
- (b) The recovery and recycling programmes 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. The Government of France has agreed to be the bilateral implementing agency (the "IA") in respect of the Country's activities under this Agreement regulations. The IA will be responsible for carrying out the activities listed in Appendix 6-A (the "Role of the 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 the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances 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 (the "Reductions in Funding for Failure to Comply") in respect of each ODP tonne of reductions in consumption not achieved in any one year.

10. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption 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 to 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 SUBSTANCES

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

	2003	2004	2005	2006	2007	2008	2009	2010	Total
1. Montreal Protocol Reduction Schedule	239.5	239.5	119.75		35.9			0	n/a
2. Max allowable total consumption at Annex A Group I substances (ODP tonnes)	168.8	120	90	60	30	10	0	0	n/a
3. Annual reduction in consumption of Annex A Group 1 substances under the Plan		48.8	30	30	20	10	0	0	138.8
4. Lead IA agreed funding		215,914	330,000	0	179,086	0	0	0	725,000
5. Lead IA support costs		28,069	42,900	0	23,281	0	0	0	94,250
6. Total agreed grant (US\$)		243,983	372,900	0	202,367	0	0	0	819,250

#### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME**

1. **Data**

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

2. **Targets**

<b>Target:</b>				
<b>Indicators</b>		<b>Preceding Year, 2003</b>	<b>Year of Plan, 2004</b>	<b>Reduction</b>
Supply of ODS	Import			
	Production*			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

\* 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)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

4. **Technical Assistance**

Proposed Activity: \_\_\_\_\_

Objective: \_\_\_\_\_

Target Group: \_\_\_\_\_

Impact: \_\_\_\_\_

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy Control on ODS Import	
Public Awareness	
Others	

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
<b>TOTAL</b>	

7. **Administrative Fees**

## APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

Institution involved	Role	Responsibility and frequency of reporting	Evaluation
Ozone office	Overall monitoring	Meetings with Lead IA Meeting Reports, MOU	By France
France	IA	Expenditure Report Quarterly Report	By France
France	IA	Progress Report (annual) Quarterly Report	By Ozone Office

## APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for the following activities:
  - (a) Ensuring performance and financial verification in accordance with this Agreement, with the rules and guidelines of the Multilateral Fund and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
  - (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
  - (c) Assisting the Country in preparation of the Annual Implementation Programme;
  - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
  - (e) Report on the implementation of the Annual Implementation Programme of the preceding year and the Annual Implementation Programme for the year are to be prepared and submitted to the last 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 reduced in accordance with the Targets;

- (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 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of the reductions in consumption not achieved in any one year.



## Annex XVI

## SECRETARIAT BUDGETS FOR 2005, 2006 AND 2007

		APPROVED	APPROVED	APPROVED
		2005	2006	2007
10	PERSONNEL COMPONENT			
1100	Project Personnel ( Title & Grade)			
	01 Chief Officer	171,840	180,432	189,454
	02 Deputy Chief Officer ( Economic Cooperation)	157,689	165,573	173,852
	03 Deputy Chief officer ( Technical Cooperation)	160,849	168,891	177,336
	04 Senior Project Management Officer	153,248	160,910	168,955
	05 Senior Project Management Officer	153,248	160,910	168,955
	06 Senior Project Management Officer *	153,248	160,910	168,955
	07 Senior Project Management Officer	153,248	160,910	168,955
	08 Information Management Officer	135,504	142,279	149,393
	09 Admin & Fund Management Officer	137,495	144,370	151,589
	10 Senior Monitoring and Evaluation Officer	153,248	160,910	168,955
	11 Associate Executive Assistant	71,400	74,970	78,719
1199	Sub-Total	<b>1,601,015</b>	<b>1,681,065</b>	<b>1,765,119</b>
1200	Consultants			
	01 Technical and project review	150,000		
1299	Sub-Total	<b>150,000</b>		-
1300	Administrative Support Personnel			
	01 Admin Assistant (G8)	59,535	62,512	65,637
	02 Meeting Services Assistant (G7)	56,333	59,150	62,108
	03 Programme Assistant (G8)	59,535	62,512	65,637
	04 Senior Secretary (Deputy Chief, EC) (G6)	44,100	46,305	48,620
	05 Senior Secretary (Deputy Chief, TC) (G6)	44,100	46,305	48,620
	06 Computer Operations Assistant (G8)	59,535	62,512	65,637
	07 Secretary (Prog. Officers -2) (G6)	46,609	48,940	51,387
	08 Secretary/Clerk, Administration (G7)	50,000	52,500	55,125
	09 Registry Clerk (G4)	36,263	38,077	39,980
	10 Database Assistant (G8)	59,535	62,512	65,637
	11 Secretary, Monitoring & Evaluation (G6)	44,100	46,305	48,620
	Sub-Total	<b>559,646</b>	<b>587,628</b>	<b>603,212</b>
1320	Conference Servicing Cost	-		
1333	Meeting Services: ExCom	600,000		
1335	Temporary assistance	50,000		
1399	TOTAL ADMINISTRATIVE SUPPORT COST	<b>1,209,646</b>	<b>587,628</b>	<b>603,212</b>
1600	Travel on official business	-		
	01 Mission Costs	160,000		
19	COMPONENT TOTAL	<b>3,120,661</b>	<b>2,268,694</b>	<b>2,368,331</b>

\* 2005, 2006 and 2007 allocations do not make provision for costs associated with staff member retirement and replacement.

		APPROVED	APPROVED	APPROVED
		2005	2006	2007
20	CONTRACTUAL COMPONENT			
2100	Sub-contracts			
	01	Information Materials	-	
2200	Subcontracts			-
29	COMPONENT TOTAL		-	-
30	MEETING PARTICIPATION COMPONENT			
3300	Travel & DSA for Art 5 delegates to ExCom Meetings			
	01	Travel of Chairperson and Vice-Chairperson	30,000	-
	02	Executive Committee	225,000	-
	03	Informal Sub-Group Meetings	30,000	-
39	COMPONENT TOTAL		<b>285,000</b>	-
40	EQUIPMENT COMPONENT			
4100	Expendables			
	01	Office Stationery	15,000	-
	02	Software	9,000	-
		Sub-Total	<b>24,000</b>	-
4200	Non-Expendable Equipment			
	01	Computers, printers	10,000	-
	02	Others	5,000	-
		Sub-Total	<b>15,000</b>	-
4300	Premises			
	01	Rental of office premises	310,000	
49	COMPONENT TOTAL		<b>349,000</b>	-

			APPROVED	APPROVED	APPROVED
			2005	2006	2007
		MISCELLANEOUS COMPONENT			
51		Operation and Maintenance of Equipment			
	01	Computers and printers, etc.	9,000	-	
	02	Maintenance of office premises	9,000	-	
	03	Rental of photocopiers	15,000	-	
	04	Telecommunication equipment	9,000	-	
	05	Network maintenance	12,000	-	
		Sub-total	<b>54,000</b>	-	
52		Reporting Costs			
	01	Executive Committee meetings			
	02	Others	20,000	-	
		Sub-total	<b>20,000</b>	-	
53		Sundries			
	01	Communications	40,000	-	
	02	Freight Charges	15,000	-	
	03	Bank Charges	5,000	-	
	04	Staff training	38,000	-	
		Sub-total	<b>98,000</b>	-	
54	01	Hospitality costs	10,000		
59		COMPONENT TOTAL	<b>182,000</b>		
		GRAND TOTAL	3,936,661	2,268,694	2,368,331
		Programme Support Costs ( 13%) (applied to budget lines 1100 and 13.01 to 13.11 only)	280,886	294,930	307,883
		Less Cost covered by Government of Canada **	(350,000)		
		<b>COST TO MULTILATERAL FUND</b>	<b>3,867,547</b>	<b>2,563,624</b>	<b>2,676,214</b>
**Contribution of the Government of Canada is to offset cost differentials for having the Secretariat in Montreal as opposed to Nairobi					



## Annex XVII

### **AGREEMENT BETWEEN CHINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE CFCS/CTC/HALON ACCELERATED PHASE-OUT PLAN IN CHINA**

1. This Agreement represents the understanding of China (the “Country”) and the Executive Committee with respect to the Accelerated Phase-out Plan (APP) of production and controlled use of ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) by July 1, 2007 for CFC production and consumption and by January 1, 2010 for halon 1301, in compliance with Protocol schedules. This Agreement supplements the Agreements between the Executive Committee and China entered into (1) at the 23rd Meeting for phase-out of halons in the halon sector, (2) at the 27th Meeting for the phase-out of CFC production in China, and (3) at the 35th Meeting for the phase-out of CFCs in the polyurethane foam sector in China.
2. The Country agrees to phase-out the production and the controlled use of the Substances in accordance with the annual phase-out targets set out in row 1 to 9 of Table 1 in Appendix 2-A (the “Targets”) of this Agreement. The other conditions in the existing agreements on phase-out of the Substances for the different sector plans in China will not be changed with one exception for the Halon Sector Plan<sup>1</sup>, and sector annual programmes will be prepared. 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 production and controlled use of phase-out of CFCs and halon-1301, with the exception of the two remaining sector plans which are under preparation, i.e. phasing out CFCs in the manufacturing of metered dose inhalers (MDIs) and phasing out CFCs in the pharmaceutical aerosols.
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 rows 2, 5, and 7 of Table 2 in Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the production limits for each Substance as indicated in row 1, 5 and 7 and consumption limits as indicated in row 2, 3, 6 and 8 in Table 1 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.

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<sup>1</sup> Condition E “China also agrees that, after full conversion, that at least 3.59 million extinguishers produced in China will, in 2005, be either CO<sub>2</sub> extinguishers or extinguishers using a technology that is at least as expensive. If that is not the case, funding will be requested to be refunded based on a rate of US \$3.08 per unit shortfall of CO<sub>2</sub> or equivalent fire extinguishers. ” in the general conditions of the Halon Agreement at the 23<sup>rd</sup> ExCom Meeting will be waived. Instead, in case of any shortfall, the equivalent amount of this refund will remain in China for capacity building to help China to comply with the Montreal Protocol commitments for activities in the China Convention Compliance Center.

5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:

- (a) that the Country has met the Target for the applicable year;
- (b) that the meeting of these Targets has been independently verified as described in paragraph 8;
- (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
- (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 8.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations 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 fulfill the obligations under this Agreement. The Country also agrees to establish policies and enforcement mechanisms to control illegal ODS related activities as set out in Appendix 9-A. In line with the request of the Government of United States of America, which is the bilateral agency for the accelerated phase-out programme, the World Bank has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible, with the cooperation of the Government of the United States of America in respect of the accelerated phase-out programme, 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 programme of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in rows 3, 6, 8 and 10 of Table 2 in 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Disbursement Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in production or/and consumption not achieved in any one year.

10. The Funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the Funding of any other 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 substances**

1. The common names of the ODS to be phased out under the Agreement will be listed here.

Annex A:	Group I	CFC-11, CFC-12, CFC-113, CFC-114, CFC-115
Annex A	Group II	Halon 1301
Annex B	Group I	CFC-13
Annex B	Group II	CTC

**Appendix 2-A. The targets, and funding**

**Table 1: ODS Phase-out Targets**

(ODP tonnes)	Baseline	2004	2005	2006	2007	2008	2009	2010
<b>CFCs<sup>1</sup></b>								
Montreal Protocol Reduction Schedule (Production)	47,004	47,004	23,502	23,502	7,050.6	7,050.6	7,050.6	0 <sup>2</sup>
Montreal Protocol Reduction Schedule (Consumption)	57,819	57,819	28,910	28,910	8,673	8,673	8,673	0 <sup>2</sup>
1. Max allowable CFCs production		25,300	18,750	13,500	7,400 <sup>3</sup>	550	550	0 <sup>2</sup>
2. Max allowable CFCs total consumption		25,300	18,750	13,500	7,400	550	550	0 <sup>2</sup>
3. Max allowable CFC-11 consumption limit in PU Foam Sector		10,500	9,000	7,000	400	0		
4. Max. allowable net CFC exports <sup>4</sup>		NL <sup>5</sup>	NL <sup>5</sup>	400	200	100	50	0
<b>CTC</b>								
Montreal Protocol Reduction Schedule (Production)	29,367.4		4,405	4,405	4,405	4,405	4,405	0
Montreal Protocol Reduction Schedule (Consumption)	55,903		8,385	8,385	8,385	8,385	8,385	0
5. Max allowable sum of production and imports of CTC <sup>6</sup>		54,857	38,686	32,044	22,724	12,768	13,415	12,217 <sup>7</sup>
6. Max allowable CTC as CFC feedstock		39,306	28,446	21,276	11,396	847 <sup>8</sup>	847 <sup>8</sup>	0 <sup>9</sup>
<b>Halon</b>								
Montreal Protocol Reduction Schedule (Production)	40,993	40,993	20,497	20,497	20,497	20,497	20,497	0
Montreal Protocol Reduction Schedule (Consumption)	34,187	34,187	17,094	17,094	17,094	17,094	17,094	0
7. Max allowable halon 1301 production		2000	2000	1000	1000	1000	1000	0
8. Max allowable halon 1301 consumption and export <sup>10</sup>		1500	1500	1000	1000	1000	1000	0
9. Max. allowable net halon 1301 export		NL <sup>5</sup>	NL <sup>5</sup>	200	200	100	100	0

- Note:
1. CFCs include Annex A Group I and Annex B Group I.
  2. Except for essential uses as agreed by the Parties.
  3. Production based on the MP plus 10% allowed for basic domestic needs.
  4. Net exports defined as exports-imports.
  5. Not limited (NL): No limits on export/import of CFCs.
  6. Not including CTC production for non-ODS feedstock.
  7. 12,217 equals 11,997 (Row 2) plus 220 (Row 4) in the existing agreement for CTC/PA phase-out (Phase I).
  8. Estimated CTC production (770 MT) used as CFC production (550 MT CFCs) to meet MDI consumption. In case of import of MDI quality CFC, the national production of CFC and CTC will reduce accordingly to ensure that the national consumption for CFC and CTC stay within the agreed consumption levels.
  9. Not including CTC as CFC feedstock for CFC production for essential use.
  10. For consistency with the halon 1301 production phase-out, China will limit use of halon 1301 to military and essential use (to be approved by the Parties) and limit export of halon 1301 to Article 5 countries as given in the table above (include essential uses).

**Table 2: Multilateral Fund Support (in US\$ thousands)**

	2004	2005	2006	2007	2008	2009	2010
<b>CFC production sector</b>							
1. Total annual funding in the existing agreement for CFC production phase-out	13,000	13,000	13,000	13,000	13,000	13,000	-
2. Total adjusted annual funding for the APP	<b>13,000</b>	<b>13,000</b>	<b>13,000</b>	<b>24,000</b>	<b>7,500</b>	<b>7,500</b>	-
3. Programme support cost (7.5%)	975.00	975.00	975.00	1.800	562.5	562.5	-
<b>Foam sector</b>							
4. Total annual funding in the existing agreement for the PU foam sector	10,903	10,903	3,320	2,676	1,767	1,767	-
5. Total adjusted annual funding for the APP	<b>10,903</b>	<b>10,903</b>	<b>3,320</b>	<b>2,676</b>	<b>1,767</b>	<b>1,767</b>	-
6. Programme support cost as per the existing agreement for the foam sector plan	961.27	961.27	282.80	240.84	159.03	159.03	-
7. Agreed new funding for the APP <sup>1</sup>	<b>5,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-
8. Agreed programme support cost for the APP (7.5%)	375.00	375.00	0	0	0	0	-
<b>9. Total agreed funding</b>	<b>28,903</b>	<b>28,903</b>	<b>16,320</b>	<b>26,676</b>	<b>9,267</b>	<b>9,267</b>	-
<b>10. Total agreed support cost</b>	<b>2,311.27</b>	<b>2,311.27</b>	<b>1,257.80</b>	<b>2,040.84</b>	<b>721.53</b>	<b>721.53</b>	-

Note:

1. This finding request includes only compensation for early phase-out of CFC and halon 1301, and some capacity building activities. It excludes fund request for early phase-out of CTC which would be requested separately in the CTC/PA II sector plan which is under preparation.

### **Appendix 3-A. Funding approval schedule**

1. Funding will be considered for approval at the first meeting of the calendar year of the Annual Implementation Programme.

## Appendix 4-A. Format of Annual Implementation Programme

### 1. Data

	Country	
	Year of plan	
	# of years completed	
	# of years remaining under the plan	
	Target CFC/CTC/halon 1301 production of the preceding year	
	Target CFC/CTC/halon 1301 production of the year of plan	
	Target CFC-11 consumption of the preceding year in the foam sector	
	Target CFC-11 consumption of the year of plan in the foam sector	
	Level of funding requested	
	Lead implementing agency	

### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Production (CFCs/CTC/halon 1301)			
	Import (CFCs/CTC)			
	<b>Total (1)</b> (CFCs/CTC/halon 1301)			
Demand of ODS	Foam (CFC-11)			
	CFC feedstock (CTC)			
	halon 1301			
	<b>Total (2)</b> (CFCs/CTC/halon 1301)			

### 3. Industry Action

Sector	Production preceding year (1)	Production year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	ODS phase-out (in ODP tonnes)
CFCs					
CTC					
Halon 1301					
Total					

Sector	Consumption preceding year (1)	Consumption year of plan (2)	Reduction within year of plan (1)-(2)	Number of projects completed	ODS phase-out (in ODP tonnes)
Foam					
Total					

**4. Technical Assistance**

Proposed Activity: \_\_\_\_\_  
Objective: \_\_\_\_\_  
Target Group: \_\_\_\_\_  
Impact: \_\_\_\_\_

**5. Government Action**

<b>Policy activity planned</b>	<b>Schedule of implementation</b>
Policy control on ODS production, consumption, import and export	
Public awareness	
Others	

**6. Annual Budget**

<b>Activity</b>	<b>Planned expenditures (US \$)</b>
Total	

**Appendix 5-A. Monitoring institutions and roles**

1. The Government of China agrees to ensure accurate monitoring of the ODS phase-out under this Agreement. The ODS production and consumption figures provided under this Agreement will be consistent with China's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of China also agrees to allow independent verification conducted by the World Bank, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual ODS production levels correspond to those agreed. Verification of CFC-11 consumption in the foam sector will be done according to the existing agreement for the PU foam sector.

2. Since the implementation of this CFC/Halon Accelerated Phase-out Plan consists of the implementation of originally independent phase-out plans of (1) CFC production, (2) CFC consumption in the PU foam sector, and (3) CTC and PA (Phase I), a consolidated reporting of all those plans (see the table as below) is required. Under this CFC/Halon Accelerated Phase-out Plan, the World Bank as lead agency will facilitate an Executive Summary each year on implementation status of the APP and all sector plans active in the year covered by the verification. The list below shows ongoing sector plans with verification obligations.

<b>Sector Plans in China</b>	<b>Implementing Agency</b>
1. Halon Sector Plan	World Bank
2. CFC Production Sector Plan	World Bank
3. Foam Sector Plan (CFC-11)	World Bank
4. Tobacco Sector Plan (CFC-11)	UNIDO
5. Solvent Sector Plan (CFC-113, CTC and TCA)	UNDP
6. CTC and PA Sector Plan (phase I) (CTC and CFC-113)	World Bank
7. TCA Sector Plan	World Bank
8. Refrigeration Servicing Sector Plan ( CFC)	UNIDO
9. CTC and PA Sector Plan (phase II) (under preparation)	World Bank
10. Pharmaceutical Aerosol Sector Plan (under preparation)	World Bank
11. MDI Sector Plan (preparation to start)	UNIDO

3. In addition to monitoring of the implementation through the responsible agencies as well as the lead agency, the Project Management Office (PMO) affiliated to the China State Environmental Protection Administration (SEPA) as well as other state governments will monitor implementation, being supervised by the China Leading Group of Ozone Layer Protection.

4. The implementation part of the Executive Summary Report to be submitted to the Executive Committee will provide an overall assessment of the ODS production and consumption for the year concerned, using the definition of the Montreal Protocol on production and consumption. This should be based on verification results from cooperating implementing agencies who implement sector plans and should include the verified import and export data on the relevant controlled substances. The release of funding under the existing ODS Phase-out Plans will be subject to the acceptance of the annual implementation programmes of each individual sector plan as part of the consolidated Executive Summary Report.

#### **Appendix 6-A. Role of the lead implementing agency**

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the 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 Programme;

- (e) A report on the implementation of the Annual Implementation Programme of the preceding year using the Montreal Protocol definition on production and consumption and the Annual Implementation Programme for the year is to be prepared and submitted to the first meeting of the Executive Committee in each 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 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) Coordinate the activities of the Cooperating 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 according to the penalty stipulations in the existing agreements for ODS phase-out in the CFC production, PU foam, halon and the refrigeration servicing sectors.

**Appendix 8-Existing Agreements between China and the Executive Committee of the Multilateral Fund on the phase-out of ODS production and consumption**

(ODP tonnes)	Baseline	2004	2005	2006	2007	2008	2009	2010
<b>CFCs</b>								
CFCs Production	47,004	25,300	18,750	13,500	9,600	7,400	3,200	0 <sup>1</sup>
Annual national CFC-11 consumption limit in the agreement for the FSP)		13,100	10,400	7,700	4,130	3,800	300	0
Annual CFC-11 consumption limit in PU foam sector as per the agreement for the Foam Sector Plan		11,666	9,646	7,164	3,821	3,553	102	0
CFC-11 consumption limit as per the agreement for the Tobacco sector		500	300	150	0			
CFC-113 consumption control targets as per the agreement for the solvent sector		1,100	500	0 <sup>2</sup>				
CFCs consumption limits in I&C refrigeration Sector for manufacturing				0 <sup>3</sup>				
CFCs consumption limits in domestic refrigeration sector for manufacturing					0 <sup>3</sup>			
Max allowable CFC-113 consumption as per the agreement for the PA sector	17.2	14	14	10.8	8.4	0		
Max allowable CFCs consumption in the servicing sector		5,083	4,572	3,790	2,997	2,317	1,786	1,181
<b>CTC</b>								
Max allowable sum of production and net imports as per the agreement for the PA/CTC Sector Plan for CTC <sup>4</sup>	55,903.8	54,857	38,686	32,044	26,457	23,583	17,592	11,990
Max allowable consumption in the 25 PA Applications as per the agreement for the PA/CTC Sector Plan (Phase I)	3,825	5,049	493	493	493	493	493	220
CTC used as feedstock for CFC production as per the agreement for the PA/CTC Sector Plan (Phase I)	N/A	39,306	28,446	21,276	15,129	11,662	5,042	0 <sup>5</sup>
CTC consumption control targets in solvent sector as per the agreement for the Solvent Sector Plan		0 <sup>2</sup>						
<b>Halons</b>								
Halon 1301 Production	40,993	6,000	6,000	1,500	1,500	1,500	1,500	0
Halon 1301 Consumption	/34,187	1,500	1,500	1,000	1,000	1,000	1,000	0
Halon 1211 Production	(production/consu	5,970	5,970	0				
Halon 1211 Consumption	mption)	5,670	5,670	0				

Note:

1. Save for any CFC production that may be agreed by the Parties to meet essential uses for China.
2. Save for any CFC-113 consumption or CTC solvent consumption that may be agreed by the Parties to be essential for China after 2010.
3. Not including CFC consumption in servicing sector.
4. Including CTC production for CFC production and ODS feedstock applications but does not include CTC production for non-ODS feedstock.
5. Excluding CTC as CFC feedstock for CFC production for essential uses.

**Appendix 9-A. Enforcement and penalties related to illegal production, trade and export in CFCs and Halons**

<b>Year of effectiveness</b>	<b>Actions</b>
Jan. 2005	<ol style="list-style-type: none"> <li>1. China will continue on-site monitoring of the production of CFC until 2010 as currently implemented under the CFC production sector plan.</li> <li>2. China will strengthen monitoring of the halon 1301 production and sales by quarterly on site review of production and sales records until 2010.</li> </ol>
Dec. 2008	<ol style="list-style-type: none"> <li>1. Issuance of a new regulation by the State Council, for a penalty system which constitutes a significant penalty, e.g. confiscation of any sales value in any illegal ODS production activity and a penalty several times of its sales value.</li> </ol>
Dec. 2009	<ol style="list-style-type: none"> <li>1. Update the Air Pollution Prevention and Control Law with the same level of financial penalties as in the regulatory system mentioned above with addition of prison terms for illegal ODS related activities.</li> </ol>



**Annex XVIII**

**AGREEMENT FOR THE VENEZUELA PRODUCTION SECTOR**

1. The Executive Committee at its 44th Meeting decided to approve in principle a total of US \$16.5 million in funding for the phased reduction and closure of the entire CFC production capacity in Venezuela.
2. This is the total funding that would be available to Venezuela from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or development of capacity to produce alternatives to these CFCs.
3. The agreed level of funding would be disbursed in instalments in the exact amounts specified in Table 1, and on the basis of the following understanding:
  - (a) By this approval, Venezuela agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B CFC production in accordance with the maximum allowable production in the same table:

**Table 1**

<b>Year</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>TOTAL</b>
Max. annual allowable production (MT)	4,400	2,913	2,913	0	0	10,226
TOTAL MLF grant (US\$ million)	3.30	8.1	1.75	2.3	1.05	16.50
PRODUVEN (*)	3.2	8	1.65	2.2	1	16.05
TA (FONDOIN)	0.1	0.1	0.1	0.1	0.05	0.45
Agency fees	0.2475	0.6075	0.1312	0.1725	0.0787	1.2375

(\*) Labor compensation will be paid according to the requirements of the Venezuelan laws, and will be absorbed by PRODUVEN.

The Executive Committee has also agreed in principle that it will provide funds on the basis of annual programmes submitted in accordance with the schedule indicated above. The funds are to be approved at the first meeting each year, upon the submission by the World Bank and acceptance by the Executive Committee of the verification of the reduction target in the preceding year specified in Table 1, with the exception of the first tranche, which will be released upon approval of this agreement.

- (b) Venezuela agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. Venezuela also agrees to independent technical audits administered by the implementing agency, and in addition, as directed by the Executive Committee to verify annual CFC production levels agreed in Table 1 and plant dismantling/retrofitting or destruction.
- (c) The Executive Committee wishes to provide Venezuela with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while Venezuela's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this agreement and the mode of implementation included in the Venezuela project proposal, the funds provided to Venezuela pursuant to this agreement may be used in any manner that Venezuela believes will achieve the smoothest possible CFC production phase out.
- (d) Venezuela agrees that the funds being agreed in principle by the Executive Committee at its 44th Meeting for complete closure of its CFC production, is the total funding that will be available to it to enable its full compliance with the CFC production phase out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, Venezuela and the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.
- (e) Venezuela understands that if the Executive Committee meets its obligations under this agreement, but Venezuela does not meet the reduction requirements outlined in paragraph (a), and the other requirements outlined in this document, the implementing agency and Multilateral Fund will withhold funding for each tranche of funding outlined in Table 1 until the required reduction has been met. In addition, Venezuela understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of US \$1,000 per ODP tonne of reductions not achieved in any year of this agreement. It is clearly understood that the fulfilment of this agreement depends on satisfactory performance of its obligations by both Venezuela and the Executive Committee.

- (f) The World Bank has agreed to be the implementing agency for this project. The fee for the project will be at a fee of 7.5% of project costs, distributed during that time period. As the implementing agency during that time period, the World Bank agrees to be responsible for:
- (i) Ensuring/providing independent verification to the Executive Committee that the phase out targets and associated activities have been met;
  - (ii) Ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
  - (iii) Assisting Venezuela in the development of its annual work programme which incorporates achievements in previous annual programmes;
  - (iv) Carrying out supervision missions as required;
  - (v) Ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
  - (vi) Incorporating its work into the existing agreement between Venezuela and the World Bank;
  - (vii) Ensuring that disbursements are made to Venezuela based on agreed performance targets in the project, and the provisions of this agreement; and
  - (viii) Independently verifying for the Executive Committee that any dismantling /retrofitting of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled/retrofitted and rendered unusable for future CFC production, and are disposed of.
- (g) The funding components of this agreement shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.
- (h) 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 Montreal Protocol unless otherwise defined herein.



Annex XIX

PRELIMINARY ASSESSMENT OF THE FINANCIAL MECHANISM OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

GENERAL RECOMMENDATION - ES-4		CONSIDERED		IMPLEMENTED	ONGOING	TIME TO IMPLEMENT			RECOMMENDED ACTION
		YES	NO			SHORT	MEDIUM	LONG	
<i>General recommendations</i>									
1	Make further structural changes to the ExCom, if necessary to specifically address compliance.	X			X				
2	Continue to evaluate ExCom structure and consider reduction of annual meeting numbers.	X			X				
<i>Technical Recommendations</i>									
3	Develop a primer to provide background on the Fund for new ExCom members.	X				X			
4	Ensure that results of review of project implementation delay are not only applied to determine project cancellation, monitoring, or removal from the list of delays, but also to inform IAs of how to avoid future delays.	X				X			
5	Request the Secretariat to take action to develop prescriptive approaches to address project implementation delays.	X		X					
6	Build on Decision 40/19 and the subsequent report submitted by UNEP (UNEP/OzL.pro/ExCom/41/Inf.2) to assist countries that consume very low quantities of methyl bromide, CTC, and methyl chloroform.	X			X				
7	Continue to collaborate with the Secretariat and IAs to maintain effectiveness in dealing with issues of project overlap, ineligible funding, and inflated costs.	X			X				
8	Reclassify ExCom meeting documentation as general distribution.	X				X			
9	Extend performance indicators to bilateral implementing agencies.	X					X		
10	Add performance indicators to address project identification.	X					X		
11	Increase the weighting of the performance indicator "ODS phased-out for individual projects vs. those planned per progress reports."	X					X		
12	Continue process of developing qualitative indicators.	X			X				
13	Share results of performance evaluations with upper management of IA.	X			X				
14	Eliminate selected administrative indicators if relevant administrative problems are resolved.	X				X			
15	Increase efforts to improve country level data reporting.	X			X				

GENERAL RECOMMENDATION - ES-4	CONSIDERED		IMPLEMENTED	ONGOING	TIME TO IMPLEMENT			RECOMMENDED ACTION
	YES	NO			SHORT	MEDIUM	LONG	
16	Continue efforts to reduce/avoid project implementation delays.		X		X			OBVIOUS
	<i>Financial recommendations</i>							
17	Increase communication between IAs and the Treasurer when promissory notes are transferred, received and encashed.		X		X			
18	Continue to maximize proportion of budget spent on implementation and minimize proportion of budget spent on core components.		X		X			
19	Request IAs to explain significant increases in their core budget expenses.		X		X			OBVIOUS
20	Conduct a study regarding the efficiency of IA administration of smaller projects.		X				X	
21	Monitor the use of funds for non investment versus investment activities within national or sectoral phase out plans.		X		X			
22	Provide in Table 1 of the status report on contributions and disbursements the incremental income, allocations and provisions, and balance available for new allocations, in addition to the cumulative totals of these financial components.		X		X			
23	Document the internal procedures and practices of the Treasurer.		X		X			
24	Take action to encourage timely payment by the donor countries.		X		X			
25	Implement internal quality control measures to improve the accuracy of recordkeeping.		X		X			
26	Clarify how, when, and what financial data should be accounted and reported by IAs.		X			X		
27	Consider engaging an independent auditor to assist with account reconciliation if financial discrepancies persist.			X				HAS NOT BEEN NECESSARY, UN AUDITING SYSTEM IF NECESSARY
28	Continue to analyse the FERM's effect on Fund value.			X				CANNOT BE ADDRESSED BY THE ExCom, SHOULD BE ADDRESSED BY THE PARTIES

**Annex XX**

**ENHANCING ARTICLE 5 COUNTRIES NATIONAL OZONE UNIT CAPACITY  
BUILDING IN THE FINAL STAGES OF THE COMPLIANCE PERIOD  
TO THE MONTREAL PROTOCOL**

**Proposal submitted by the Government of China**

Whereas, in the past few years, the Executive Committee has reached consensus on recognition of the critical management role of governments in achieving their compliance targets in compliance period of the Protocol, and therefore has constantly emphasized on the country-driven approach, which has been reflected in sector/national phase-out plans.

Recognizing that illegal production, illegal consumption and illegal trade occurred in recent years have caused great challenges to Article 5 countries for achieving the “zero” target of ODS production and consumption in the final compliance period, which requires governments to re-combine forces of relevant organizations and groups including customs agencies and enforcement officials, to formulate more stringent policies and regulations, improve enforcement capacity, and strengthen supervision and punishment on illegal activities. Striking on illegal trade also requires close cooperation and enhanced information exchange among NOUs of different countries.

Considering, in the future years, in the mean time the large and medium investment projects of ODS phase-out funded by the Multilateral Fund decrease gradually, NOUs of Article 5 countries will face more challenging and difficult management works in many fields, such as, a) ODS phase-out to the remaining enterprises (most of them are SME) which have not gained support from the Multilateral Fund, b) formulation, issuance and enforcement of a series of policies and regulations, c) supervision on illegal activities, d) data collection and verification; e) management of ODS recovery, recycle, and destruction, f) management and supervision to the control substance used as feedstock, g) survey and distinguish of ODS essential uses, h) import and export management of ODS and products and equipments with ODS, etc. All of the above works should be treated carefully with more efforts so as to ensure that “zero” production and consumption target of CFCs/Halons/CTC/TCA/MB has been realized in fact. However, capacity of NOUs in Article 5 countries currently is far from adequate to bear the burden and is desiderate to be improved.

Recognizing NOU should put in efforts as soon as possible to start and carry out some works related to HCFCs, such as investigations on HCFCs production and consumption, promote HCFCs substitution technology development and production capacity reservation, and formulate national strategy on HCFCs management, so as to realize smooth transition from CFCs phase-out to HCFCs phase-out at the lowest cost. In particular, considering the situation that HCFCs are still the major alternatives of CFCs in Article 5 countries, and their production and consumption will be constantly increasing in the next 10 years while the phase-out of HCFCs possibly will

lack enough grant support, the study and management work of NOUs on HCFCs should obtain high attention of the Executive Committee and gain supports from the Multilateral Fund from now on so as to make necessary preparation for the future phase-out period.

**Suggestion:**

1. The Multilateral Fund should increase input in non-investment activities and capacity building of Article 5 countries in the final stage of compliance period, especially in striking the illegal trade, policy formulation and enforcement, substitution technology promotion, and information management.

2. The Executive Committee adds the topic on NOUs capacity building in its meeting agenda to discuss the works of NOU, problems faced by NOUs in management and ways to solve them.

3. Support to UNEP's regional network should be strengthened in the future years, especially its south-south cooperation activities for improving NOUs capacity.

4. The Executive Committee puts the HCFCs management into its work categories, develop relative work plan, and encourage Article 5 countries to start the work of HCFCs management and phase-out strategy development.

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