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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-seventh Meeting
Montreal, 21-25 November 2005

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

Introduction

1. The 47th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal from 21 to 25 November 2005.
2. The Meeting was attended by representatives of the following countries, members of the Executive Committee, in accordance with decision XVI/43 of the Sixteenth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Chair), Belgium, Canada, the Czech Republic, 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: Brazil, Cuba, Niger, the Syrian Arab Republic (Vice-Chair), Thailand, The former Yugoslav Republic of Macedonia, and Zambia.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.

4. The Meeting was attended by the President of the Bureau of the Meeting of the Parties and by the President and the Vice-President/Rapporteur of the Implementation Committee. The Co-chair of the Technology and Economic Assessment Panel was also present.
5. The Monitoring and Compliance Officer of the Ozone Secretariat was present.
6. A representative from the Alliance for Responsible Atmospheric Policy attended as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The Meeting was opened at 10:00 am on Monday, 21 November 2005, by the Chair, Mr. Paul Krajnik (Austria), who welcomed the participants to Montreal. He said that the Meeting was particularly important as it would be examining not only the balance of business plan activities for the year but also completion of the business plan for 2003-2005. Its task was to use the triennium budget fully. The documents on projects and activities provided by the Secretariat indicated that that might be possible.

8. In view of the challenges to implementing agencies in formulating projects and activities for the many Article 5 countries, some of these remained outstanding. Guidance on the model rolling three-year phase-out plan for 2006-2008, realization of which would depend on the outcome of discussions on the replenishment at the Seventeenth Meeting of the Parties, would be essential for preparation of the agencies' business plans for the 48th Meeting. The Chair also drew attention to the importance of the discussions to be held on the methyl bromide project in Guatemala, the monitoring and evaluation programme for 2006, and the proposal to conduct all UNEP's work on information and awareness-raising within the budget for the UNEP Compliance Assistance Programme (CAP).

9. He said that there was a surprisingly large number of policy issues on which the Meeting was being asked to provide guidance, including progress reporting on multi-year agreements, performance indicators, and the future of institutional strengthening and recovery and destruction.

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/47/1:
 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) Report on balances and availability of resources;
 - (b) 2005 business plans;
 - (c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
 - (d) Model rolling three-year phase-out plan: 2006-2008 (follow-up to decision 44/5(d)).
- 6. Programme implementation:
 - (a) 2005 consolidated project completion report;
 - (b) Project implementation delays;
 - (c) Report on implementation of approved projects with specific reporting requirements;
 - (d) Draft monitoring and evaluation work programme for the year 2006.
- 7. Project proposals:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Amendments to work programmes for 2005:
 - (i) UNEP;
 - (ii) UNDP;
 - (iii) UNIDO;
 - (iv) World Bank;
 - (d) Compliance assistance programme (CAP) budget and work programme for UNEP for the year 2006;

- (e) 2006 core unit costs for UNDP, UNIDO and the World Bank;
 - (f) Investment projects.
 - 8. Country programmes.
 - 9. Accounts of the Multilateral Fund:
 - (a) Final 2004 accounts;
 - (b) Reconciliation of the 2003 and 2004 accounts.
 - 10. Revised 2006, 2007 and proposed 2008 budgets of the Fund Secretariat.
 - 11. Preliminary results of an analysis of possible further action and policies required to assist compliance with all ODS phase-out requirements, including the review of institutional strengthening projects envisaged under decision 35/57 (follow-up to decision 45/55).
 - 12. New options for monitoring and assessing the progress of agencies with regard to multi-year agreements (follow-up to decision 46/8).
 - 13. Performance indicators (follow-up to decision 46/14).
 - 14. Proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36).
 - 15. Report on documenting the internal procedures and practices of the Treasurer.
 - 16. Draft of an Executive Committee primer (follow-up to decision 46/41).
 - 17. Report of the Executive Committee's Subgroup on the Production Sector.
 - 18. Report of the Executive Committee to the Seventeenth Meeting of the Parties.
 - 19. Other matters.
 - 20. Adoption of the report.
 - 21. Closure of the meeting.
- (b) Organization of work**
- 11. The Executive Committee agreed to follow its customary procedures.
 - 12. The Committee agreed to expand the membership of the Subgroup on the Production Sector for the 47th Meeting to representatives of Austria and The former Yugoslav Republic of Macedonia.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

13. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/46/2, which described the activities of the Secretariat since the 46th Meeting. She indicated that the Secretariat had prepared over 30 documents (other than project evaluations) for the 47th Meeting and reviewed 167 projects and activities.

14. During project review, 60 projects and activities had been submitted for blanket approval, 18 investment projects were for individual consideration, plus another five projects in the chiller sector and three new production sector projects. Twenty-eight projects and activities had been either withdrawn or deferred owing to a lack of information or doubtful eligibility.

15. She and other members of the Secretariat had attended several meetings, including the 15th Meeting of the Forum of Ministers of the Environment of Latin America and the Caribbean, and the main meeting of the Latin American and Spanish-speaking Caribbean Network. Bilateral meetings had been held with representatives from Chile and Honduras to discuss compliance issues and assistance from the Multilateral Fund, and with the ministers of the environment and senior officials in Costa Rica and Guatemala on issues surrounding methyl bromide.

16. Several representatives noted the substantial workload and the large number of documents prepared by the Secretariat, and urged bilateral and implementing agencies to plan their work to enable a more even distribution of projects and activities between meetings. The Executive Committee took note with appreciation of the report on Secretariat activities.

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

17. The Chair reported on the follow-up to decision 45/2 requesting the Chair of the Executive Committee to send letters to donor countries that had arrears up to and including 2004 but had not replied to the Treasurer. He had accordingly sent letters to 18 countries based on the status of contributions and disbursements provided by the Treasurer as at 30 June 2005 in which they were asked to respond and to indicate when they would be able to meet their commitments. Feedback had been received from the United States of America, but not from the other countries contacted. The Mission of the United States of America to the International Civil Aviation Organization in Montreal had replied that some of the amount recorded as outstanding was being withheld as mandated by section 307 of the Foreign Assistance Act of 1961 as amended, and related to their share of projects approved for certain proscribed countries. He had requested the United States Government to provide details of the amounts on a yearly basis and had indicated that the matter might need to be reported to the Meeting of the Parties in the light of the financial implications and the shortfall that it would imply, considering that the amounts approved for the proscribed States had been reported as being spent by the implementing agencies.

18. The Treasurer introduced the report on the status of the Fund (UNEP/OzL.Pro/ExCom/47/3) as at 17 October 2005.

19. The Treasurer indicated that, since the 46th Meeting, he had received eight new cash payments and two promissory notes. Together with bilateral cooperation credits, these brought the amount received to 60.78 per cent of the 2005 pledges. Total income, including cash payments, promissory notes, bilateral cooperation credits, interest, and miscellaneous income, therefore stood at US \$2,017,158,914. He also explained that allocations to implementing agencies and provisions totalled US \$1,901,216,053, leaving an available Fund balance of US \$115,942,860 as at 18 November 2005, US \$1,551,719 more than the balance in his report of 17 October. Furthermore, the fixed-exchange-rate mechanism had resulted in a gain of US \$7,795,878.

20. He said that document UNEP/OzL.Pro/ExCom/47/3 contained two tables relating to promissory notes, prepared in response to decision 45/59, which requested the Treasurer to circulate to the Secretariat and implementing agencies prior to each Executive Committee meeting the status of promissory notes and a ledger indicating transfer, receipt and encashment of promissory notes.

21. Following a discussion, the Executive Committee decided to take note, with appreciation, of the report of the Treasurer, including tables showing the updated status of the Fund and the ledger on the issue, receipt and encashment of promissory notes as at 18 November 2005, which are reproduced in Annex I to the present report.

(Decision 47/1)

AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

(a) Report on balances and availability of resources

22. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/47/4, which reported on balances and availability of resources. He informed members that US \$913,399 in project funds and US \$113,555 in support costs had been returned from completed and cancelled projects. He said that the Parties had adopted a US \$573 million budget for the 2003-2005 triennium on the understanding that US \$23 million of the sum would be provided from the interest accruing to the Fund and from other sources (decision XIV/39 of the Fourteenth Meeting of the Parties). During 2003 and 2004, US \$11.6 million in interest had accrued to the Fund and the total balances returned from the implementing agencies during the triennium had been US \$25.2 million. The total for the triennium from interest and other sources was, therefore, US \$36.8 million. Taking into account the status of contributions as at 18 November 2005, as presented by the Treasurer to the present Meeting, and the funds returned from completed and cancelled projects, the total sum available for approvals at the 47th Meeting was US \$116,969,814, which would be sufficient to cover the expected approvals of requests for funding at the 47th Meeting, amounting to US \$106,740,887.

23. One representative was of the opinion that any unallocated funding should not be maintained in the 2005 business plan and should instead be subject to negotiation during the discussion on replenishment of the Fund. The representative of the Secretariat pointed out that, in decision 46/33, the Executive Committee had already decided that unspent resources for the

global chiller programme would remain as uncommitted obligations in the 2005 business plan and that, based on the expected approvals at the 47th Meeting, they would amount to approximately US \$10 million.

24. Following a discussion, the Executive Committee decided to note:
- (a) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/47/4;
 - (b) The net level of funds being returned by the multilateral implementing agencies to the 47th Meeting against project balances totalling US \$913,399, which included the return of US \$579,606 from UNDP; US \$229,269 from UNIDO; and US \$104,524 from the World Bank;
 - (c) The net level of support costs being returned by the multilateral implementing agencies to the 47th Meeting against project support cost balances totalling US \$113,555, which included the return of US \$74,706 from UNDP; US \$25,811 from UNIDO; and US \$13,038 from the World Bank;
 - (d) That implementing agencies had balances totalling US \$2,891,059 excluding support costs from projects completed over two years previously: UNDP--US \$994,163 plus support costs; UNEP--US \$47,062 plus support costs; UNIDO--US \$119,077 plus support costs; and the World Bank--US \$1,730,757 plus support costs;
 - (e) That US \$25.2 million had been returned by the implementing agencies in 2003-2005, including funds returned by bilateral agencies for projects approved during the triennium; and
 - (f) That US \$116,969,814 was available to the Executive Committee for approvals at the 47th Meeting.

(Decision 47/2)

(b) 2005 business plans

25. The representative of the Secretariat introduced the documents on the status of the implementation of the 2005 business plans (UNEP/OzL.Pro/ExCom/47/5/Rev.1 and Corr.1). He said that US \$37.76 million in requests required for compliance in the 2005 business plans had not been submitted to the 47th Meeting. Of that amount, US \$20.93 million had been included in the Replenishment Task Force estimated requirements for the 2006-2008 triennium, leaving US \$16.83 million for 2005 business plan compliance needs.

26. After a discussion on the non-submission of remaining projects in the 2005 business plan to the 47th Meeting and their impact on compliance, whether the unallocated US \$16.83 million for compliance should be considered as uncommitted obligations from the 2005 business plan, and the accuracy of planned submissions and their values, the Executive Committee decided:

- (a) To note:
- (i) The report on the status of the 2005 business plans as contained in documents UNEP/OzL.Pro/ExCom/47/5/Rev.1 and Corr.1;
 - (ii) The fact that US \$4,919,000 in activities required for compliance were not included in the Supplement to the May 2005 Replenishment Report;
 - (iii) That the value of forward commitments approved at the 47th Meeting exceeds the value in the 2005-2007 business plan of the Multilateral Fund by US \$9,850,919; and
- (b) To request bilateral and multilateral implementing agencies with projects in the 2005 business plans required for compliance to consider including those activities in their 2006-2008 business plans and to endeavour to improve their performance with regard to the accuracy of planned submissions and their values.

(Decision 47/3)

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

27. 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/47/6 and Add.1), presented by the representative of the Secretariat. The document contained three parts: Part I had been prepared in response to Executive Committee decisions 32/76(b) and 46/4 and presented an analysis of the status of compliance of all Article 5 countries for CFCs, halons, methyl bromide, carbon tetrachloride (CTC) and methyl chloroform (TCA). Part II contained an update on the status of implementation of projects for all Article 5 countries found to be in non-compliance by the Meeting of the Parties or at risk of non-compliance. Part III contained an analysis by sector of the ODS consumption data submitted by Article 5 countries to the Executive Committee in their reports on the implementation of their country programmes and assessments of ODS phase-out programmes.

28. The representative of the Secretariat drew the Meeting's attention to the revised format of Part I, together with the associated data tables developed in response to decision 46/4. He also explained that the information that had previously been included was still available upon request. With the exception of the 85 per cent reduction, few countries were at risk of not achieving the CFC control measures, while in the case of methyl bromide and halons, there was not yet sufficient data to indicate the percentage of countries at risk. In addition, the Executive Committee was requested to ask bilateral and implementing agencies to include phase-out activities for the following countries: Somalia for CFCs, Romania and Sierra Leone for halons, Armenia and South Africa for methyl bromide, and Nepal, Sierra Leone and Zimbabwe for CTC. As at 15 October 2005, 96 Article 5 countries had submitted 2004 country programme implementation data.

29. The representative of Brazil wished it to be noted in the report of the Meeting, and in all subsequent documents, that Brazil had phased out the production of CFCs.

30. In response to a request for clarification on the inclusion of phase-out activities for methyl bromide for South Africa, the representative of the Secretariat stated that the Secretariat had been requested by the Executive Committee to provide information on all Article 5 countries regardless of whether or not they were eligible for funding through the Multilateral Fund.

31. After discussion on the need to track the status of implementation of licensing systems for Article 5 Parties for all controlled substances and the fact that only 10 of the 31 Article 5 countries that had ratified the Montreal Amendment had implemented licensing systems, 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/47/6 and Add.1;
- (b) To request bilateral and implementing agencies to include phase-out activities, where appropriate, for eligible consumption in their 2006-2008 business plans for the following countries for which no project preparation had been approved in line with decisions of the Parties and the Executive Committee:
 - (i) For CFCs: Somalia when conditions for sustainable activities existed;
 - (ii) For halons: Romania, Sierra Leone and Somalia when conditions for sustainable activities existed; and
 - (iii) For CTC: Sierra Leone and Zimbabwe.

(Decision 47/4)

(d) Model rolling three-year phase-out plan: 2006-2008 (follow-up to decision 44/5(d))

32. The Executive Committee considered the model rolling three-year phase-out plan for the Multilateral Fund for the years 2006-2008 (UNEP/OzL.Pro/ExCom/47/7). The representative of the Secretariat said that, at the 37th Meeting, the Secretariat had been requested to prepare a model rolling three-year phase-out plan for the Multilateral Fund. Since then, the model had been updated after each meeting, taking into account the level of ODS to be phased out in projects that had been approved by the Executive Committee and the latest consumption and production data reported to the Ozone Secretariat. The last updated model had been presented to the Executive Committee at its 45th Meeting in April 2005.

33. The model rolling three-year phase-out plan for the triennium 2006-2008 was being presented as a follow-up to decision 44/5(d). The representative of the Secretariat also informed the Meeting that the document contained an estimate of the maximum amounts of CFCs, methyl bromide, CTC and TCA that needed to be funded during the remainder of 2005 and in the 2006-2008 triennium in order to achieve compliance with the Montreal Protocol phase-out

targets. It also provided an analysis of the level of funding that had been agreed upon in principle by the Executive Committee in multi-year agreements, an estimate on the funding level of projects submitted to the 47th Meeting, and a set of conclusions and recommendations. The results of the analysis, by ODS and by country, were contained in Annex II to the document.

34. Following a discussion, which included a clarification on the amounts of controlled substances to be addressed and the data discrepancies in documents UNEP/OzL.Pro/ExCom/47/6 and UNEP/OxL.Pro.ExCom/47/7, the Executive Committee decided:

- (a) To adopt the 2006-2008 model three-year phase-out plan as a flexible guide for resource planning for the 2006-2008 triennium;
- (b) To urge Article 5 countries with approved but not implemented projects and the cooperating bilateral and implementing agencies to accelerate the pace of implementation during the 2006-2008 triennium;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as needing immediate assistance to achieve the 2007 and 2010 Montreal Protocol's phase-out targets and to include activities in their 2006-2008 business plans as appropriate; and
- (d) To request the Secretariat to present an updated model three-year rolling phase-out plan for 2007-2010 to the last meeting in 2006 to provide guidance, as relevant, for the preparation of the 2007-2009 business plan of the Multilateral Fund.

(Decision 47/5)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) 2005 consolidated project completion report

35. The Executive Committee considered the 2005 consolidated project completion report (UNEP/OzL.Pro/ExCom/47/8 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 while the total number of project completion reports (PCRs) had substantially increased, a number had yet to be submitted, particularly by the World Bank, UNDP and some bilateral agencies. Key information had been provided more regularly than in the previous year, but deficiencies still existed, in particular with regard to equipment destruction, operating costs and savings and consumption of ODS and substitutes. Although the number of PCRs with incomplete information was lower than the previous year, there were more PCRs in which data inconsistencies occurred, mainly where the "Revised Planned Date of Completion" was missing or was different from that given in the progress report.

36. While the "lessons learned" presented in PCRs on investment projects had improved in terms of quantity and quality of the information provided, problems were encountered with the

“lessons learned” section in many PCRs on non-investment projects. The Senior Monitoring and Evaluation Officer, therefore, proposed that he prepare guidelines to help with the completion of PCRs for non-investment projects in the future.

37. His proposal was welcomed by representatives, one of whom stated that she believed that, if asked about the difficulties in preparing PCRs, Parties and agencies would describe the barriers, which could prove useful in remedying the problem. Another representative suggested that the guidelines for the preparation of PCRs for non-investment projects proposed by the Senior Monitoring and Evaluation Officer should become part of the decision of the Executive Committee on the relevant agenda item.

38. The Meeting considered a revised draft decision on the 2005 consolidated project completion report, with amendments by Austria and the United Kingdom of Great Britain and Northern Ireland.

39. Following the discussion, the Executive Committee decided:

- (a) To take note of the 2005 consolidated project completion report contained in documents UNEP/OzL.Pro/ExCom/47/8 and Add.1, including the schedule for submission of project completion reports (PCRs) due;
- (b) To request implementing and bilateral agencies concerned:
 - (i) To establish by the end of January 2006, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports;
 - (ii) To provide, by the end of January 2006, the information still missing in a number of PCRs;
 - (iii) To clear the backlog of PCRs for projects completed before the end of 2002 by the end of January 2006;
 - (iv) To provide information as to why PCRs had not been submitted;
- (c) To urge the World Bank to make all necessary efforts to deliver the PCRs still scheduled to be provided in 2005; and
- (d) To request that the Senior Monitoring and Evaluation Officer, in cooperation with the implementing agencies, develop guidelines for PCR reporting of non-investment projects, with particular attention to improving the “lessons learned” component, and prepare a short report containing concrete recommendations on how to make best use of those lessons, to be reviewed by the Executive Committee at its 48th Meeting.

(Decision 47/6)

(b) Project implementation delays

40. The Executive Committee considered the report on project implementation delays (UNEP/OzL.Pro/ExCom/47/9), which was introduced by the representative of the Secretariat. The document dealt with: projects with implementation delays; projects for which additional status reports had been requested; 2004 progress report submissions; projects proposed for possible cancellation at the present Meeting; and the impact of cancelled projects on compliance.

41. Concerning the halon banking project in India (IND/HAL/32/TAS/278 and 281), Australia and Canada had reported to the Secretariat that, during a recent mission, it had been determined that there had been little progress on the final implementation of the project. Nevertheless, an action plan had been agreed upon that should reactivate the project.

42. Providing an update on the project to eliminate CFCs in the manufacture of refrigerators at a plant in Argentina (ARG/REF/18/INV/39), the representative of the Secretariat explained that a company was interested in purchasing the plant in the coming weeks. That meant that the project would not have to be cancelled, and a report should be ready in time for the 48th Meeting of the Executive Committee.

43. The representative of UNIDO informed the Meeting that the refrigeration project in Serbia and Montenegro (YUG/REF/34/INV/13), with Italy as bilateral agency, was proceeding slowly, partly owing to the past difficulties experienced by the country and partly because the roof of the workshop had collapsed during the previous winter, which had destroyed much of the work already achieved, which had had to be redone. Nevertheless, the representative was confident that the project could be completed in 2006.

44. The representative of UNDP explained that the country programme update in Bangladesh (BGD/SEV/36/CPG/14) was expected to progress simultaneously with activities to be undertaken under the national phase-out plan and was awaiting signature of the project document by the Government, which was a complicated procedure as several ministries and government departments were involved and had to sign the document. UNDP and UNEP had carried out a mission to the country in an effort to facilitate the signing. UNDP was confident that the country programme update could be submitted to the 48th Meeting of the Executive Committee.

45. Regarding the project to convert from CFC-11 to HCFC-141b technology in the Islamic Republic of Iran (IRA/REF/35/INV/133), the representative of UNDP explained that phase-out of CFC-11 had been completed and all that was missing was a certificate of completion. A consultant had been sent to the Islamic Republic of Iran to look into the issue but owing to a visa problem, he had not been able to complete his mission. It was, however, expected that the Government would take the necessary steps and that both the certificate and the national phase-out plan would be submitted by early June 2006.

46. The representative of UNEP provided an update on the two policy and technical assistance projects in Kenya and Oman (KEN/SEV/37/TAS/29 and OMA/SEV/37/TAS/07), both of which were in their final phases. In Kenya, implementing legislation on a licensing system had been drafted and was awaiting enactment by the Government. In Oman, control measures had been put in place in October 2005 and a one-day national workshop on their implementation

was being organized. It was hoped that reports on the two projects would be available in time for the 48th Meeting of the Executive Committee.

47. It was suggested, given that the adoption of licensing legislation could take some time, that policy and technical assistance projects should not be subject to the automatic cancellation procedure. They were essential for the implementation of the Montreal Protocol and it would be counter-productive not to give such projects every chance to be completed.

48. Following a discussion, the Executive Committee decided:

(a) To note:

- (i) With appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan, Sweden and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/47/9);
- (ii) The financial completion of the Mexican chiller project (MEX/REF/28/INV/95) implemented by the Government of the United Kingdom of Great Britain and Northern Ireland;
- (iii) The 2004 progress report submitted by the Government of the United States of America on the acceleration of phase-out of CFCs and halons in China (CPR/PRO/44/INV/425);
- (iv) That the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and implementing agencies as required;
- (v) The completion of 30 out of the 95 projects listed with implementation delays;
- (vi) That letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title
France	SYR/REF/29/INV/48	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarkisian Refrigerators in the Syrian Arab Republic
France	SYR/REF/29/INV/53	Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co. in the Syrian Arab Republic
UNDP	IRA/REF/35/INV/133	Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Ghotb Jonoub Industrial Group in the Islamic Republic of Iran

- (b) To continue to monitor the following projects, in addition to those identified in the document:
 - (i) Halon banking project in India (IND/HAL/32/TAS/278 and 281), implemented by Australia and Canada, to track the progress of the implementation of the action plan to reactivate the project;
 - (ii) The manufacture of refrigerators at a plant in Argentina (ARG/REF/18/INV/39), implemented by the World Bank;
 - (iii) The refrigeration project at Obod Elektroindustria in Serbia and Montenegro (YUG/REF/34/INV/13), implemented by Italy;
 - (iv) The country programme update in Bangladesh (BGD/SEV/36/CPG/14) under UNDP implementation;
- (c) That policy and technical assistance projects were not subject to the procedure for project cancellation;
- (d) For policy and technical assistance projects suffering persistent delays, to request the Secretariat to write letters of concern to the relevant country or agency, requesting an update on the status of the project, an estimated date of completion, and an action plan for the future completion; and
- (e) That such letters of concern about the delay in implementation be sent for the following policy and technical assistance projects:

UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance in Kenya
UNEP	OMA/SEV/37/TAS/07	Policy and technical assistance in Oman

(Decision 47/7)

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

49. The representative of the Secretariat drew the Executive Committee's attention to documents UNEP/OzL.Pro/ExCom/47/10 and Add.1, which contained a progress report on implementation of the project for phasing out methyl bromide in Guatemala; a progress report on implementation of the project for phasing out methyl bromide in Honduras; a progress report on technical assistance for methyl bromide reductions in low-volume-consuming countries in Africa; a status report on disbursement of the second tranches of the national CFC phase-out plans in Mexico and Venezuela; and a report on the halon management programme and on halon recovery, recycling and banking in Thailand.

50. In his presentation, the representative of the Secretariat reported the results of a high-level meeting held in Guatemala and attended by the Chair of the Executive Committee and the heads of the Fund and the Ozone Secretariats, to address all issues associated with

the phase-out of methyl bromide and to explain the consequences of non-compliance with the phase-out schedule. The Fund Secretariat had suggested that a technical workshop be organized with the participation of major melon growers in other countries in the region to transfer experiences and know-how in phasing out methyl bromide and cost-effective and sustainable approaches for the complete phase-out.

51. Following discussions in which clarification on the levels of methyl bromide consumption proposed for the period 2004-2008 for Honduras was provided, the Executive Committee decided:

- (a) In regard to the methyl bromide phase-out project in Guatemala:
 - (i) To take note of the progress report on the implementation of the project for the phase-out of methyl bromide used as a soil fumigant in the production of melons, tomatoes, flowers and strawberries in Guatemala;
 - (ii) To request the Fund Secretariat and relevant bilateral and implementing agencies to continue considering the feasibility of convening a technical workshop with major melon producers in Costa Rica, Guatemala and Honduras in early 2006;
 - (iii) To request UNIDO to continue implementing the methyl bromide project in Guatemala and to submit a progress report to the 48th Meeting of the Executive Committee;
- (b) In regard to the methyl bromide project in Honduras:
 - (i) To take note of the progress report on the implementation of the project to phase out methyl bromide in the melon and banana production sector and in tobacco seedlings in Honduras, and the issues encountered during project implementation;
 - (ii) To request UNIDO to re-submit a request for a revision of the phase-out schedule in the project to the first meeting of the Executive Committee subsequent to consideration by the Parties of the request by the Government of Honduras for revision of the time-specific benchmarks contained in decision XV/35 of the Fifteenth Meeting of the Parties;
- (c) In regard to the methyl bromide technical assistance programme for low-volume-consuming countries in Africa:
 - (i) To take note of the progress report on the implementation of technical assistance for methyl bromide reductions and the formulation of regional phase-out strategies for low-volume-consuming countries in Africa;
 - (ii) To reiterate its request to UNDP to submit a report to the 48th Meeting of the Executive Committee on progress so far achieved;

- (d) With regard to the halon management programme and the halon recovery, recycling and banking activities in Thailand, to note the revised allocations, which had no additional funding implications, for the following projects:
- (i) US \$164,100 from the balance of the approved project “Terminal halon 1211 and halon 1310 phase-out project for fire equipment manufacturers and suppliers converting to ABC powder, HFC-227ea and inert gases” (THA/HAL/32/INV/134) for the purpose of demonstration projects and associated activities; and
 - (ii) US \$96,577 from the balance of the approved project “Halon management programme, halon recovery, recycling and banking” (THA/HAL/29/TAS/120 and 121) for the purpose of training, public awareness and monitoring.

(Decision 47/8)

(d) Draft monitoring and evaluation work programme for the year 2006

52. The Executive Committee considered the draft monitoring and evaluation work programme for the year 2006 (UNEP/OzL.Pro/ExCom/47/11), which was presented by the Senior Monitoring and Evaluation Officer.

53. He drew attention to the studies intended to be presented to forthcoming meetings of the Executive Committee and to the budget proposed, noting that the level of the budget had increased only minimally since inception of the work programme. He further invited Executive Committee members to provide written comments regarding specific areas/topics to be covered in the evaluations.

54. Having considered the results of the 2005 work programme, the evaluation studies proposed for the year 2006, the implementation modalities and methodological approach, and the proposed budget for the year 2006, the Executive Committee decided to approve the proposed 2006 work programme for monitoring and evaluation at a budget of US \$346,000, as shown in document UNEP/OzL.Pro/ExCom/47/11.

(Decision 47/9)

AGENDA ITEM 7: PROJECT PROPOSALS

(a) Overview of issues identified during project review

55. The representative of the Secretariat introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/47/12 and Corr.1) and explained that it presented the statistics on submissions received, the list of all projects and activities recommended for blanket approval and the list of projects for individual consideration. There was one policy issue arising from project review concerning:

Assistance for countries with a baseline consumption of zero

56. The representative of the Secretariat indicated that the policy issue concerned the provision of assistance for countries with a baseline consumption of zero. Submissions to the present Meeting included five proposals from UNEP and one from UNIDO for countries with no baseline and little or no current consumption. The Secretariat had developed a proposal for the Committee's consideration which would enable provision of modest levels of assistance in those circumstances, including through the use of UNEP's Compliance Assistance Programme (CAP).

57. The Meeting considered guidelines on assistance to be provided to countries with zero baselines for halon, methyl bromide, CTC and/or TCA contained in an informal text proposed by Canada. In introducing the proposal, the representative of Canada said that the proposed guidelines were intended to overcome the doubts of delegations that hesitated to provide funding to countries with zero baseline consumption.

58. During the discussion, it was pointed out that countries that had difficulty in maintaining zero consumption and which had already submitted projects would be covered in the strategic plan that UNEP was requested to prepare. After an adjustment to ensure that the wording of the decision would correspond to that in previous decisions on the subject (decisions 18/22 and 44/38), the Executive Committee decided:

- (a) That Article 5 countries with zero halon baselines but a low level of documented installed halon inventories could submit project proposals to manage their halon stocks in accordance with the Executive Committee's Interim Halon Banking Guidelines. The level of funding for such proposals should normally be between US \$25,000 (as recommended in the Interim Halon Banking Guidelines) and US\$ 50,000 (as per decision 44/8), depending on the level of the inventory;
- (b) That Article 5 countries with zero methyl bromide, CTC and/or TCA baselines that were experiencing compliance difficulties with respect to one or more of those substances could be provided with assistance under UNEP's Compliance Assistance Programme (CAP);
- (c) To request UNEP to use funds from the 2006 CAP budget to provide assistance to countries in accordance with paragraph (b) of the present decision;
- (d) Also to request UNEP to submit to the 48th Meeting a strategic plan indicating which countries with zero baselines it proposed to assist, the justification or criteria used for selecting those countries, the type of assistance to be provided and the extent to which the activities would be additional to the usual work of the CAP;
- (e) To request bilateral and implementing agencies providing assistance in the preparation and implementation of new terminal phase-out management plans to work towards ensuring that, within the approved levels of funding, project activities included support for developing and implementing licensing systems or import controls for methyl bromide, CTC and/or TCA in cases where there were

zero baselines for one or more of those substances but there was a risk of future consumption; and

- (f) That the Executive Committee would consider, at its 48th Meeting, the need for any additional support to the CAP that might be required to implement the proposed strategic plan.

(Decision 47/10)

List of projects and activities for blanket approval

59. The representative of the Secretariat drew attention to the list of projects and activities for blanket approval presented in Annex I to document UNEP/OzL.Pro/ExCom/47/12.

60. The Executive Committee decided to approve the projects and activities submitted for blanket approval at the level of funding indicated in Annex II to the present report, with the conditions or provisos included in the corresponding project evaluation sheets, and also those conditions attached to projects by the Executive Committee. For projects relating to the renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex III to the present report.

(Decision 47/11)

(b) Bilateral cooperation

61. The Executive Committee had before it 17 requests for bilateral cooperation submitted by the Governments of Canada, France, Germany, Japan, Portugal, Spain, Sweden, Switzerland and the United States of America (UNEP/OzL.Pro/ExCom/47/13 and Add.1). Seven projects were addressed in the document, six of which were included in the blanket approval list considered under agenda item 7(a) (Overview of issues identified during project review) and ten projects and activities would be considered under agenda item 7(f) (Investment projects). Specific comments were made on one project submitted by the Government of Portugal, as indicated below.

Communication and cooperation support to Portuguese-speaking countries in Africa and to East Timor (Portugal)

62. The representative of the Secretariat indicated that the Government of Portugal had submitted a bilateral cooperation project amounting to US \$90,000 plus support costs to provide policy assistance to Portuguese-speaking Article 5 countries in Africa and to East Timor in South-East Asia. The project would be implemented for Portugal by UNEP. The assistance to East Timor would be to facilitate that country's ratification of the Montreal Protocol. The representative of the Secretariat pointed out that the initial request from Portugal had contained several elements that overlapped with network activities funded under UNEP's CAP or that were not eligible for funding. The final form of the project had been developed in cooperation with the Secretariat.

63. Following a discussion, the Executive Committee decided:
- (a) To approve the project proposal to provide policy assistance to Portuguese-speaking countries in Africa and to East Timor at a cost of US \$90,000 plus support costs of US \$11,700 for Portugal, with the proviso that that would be the final funding for this type of project.
 - (b) To request the Treasurer to offset the costs of the bilateral projects approved at the 47th Meeting as follows:
 - (i) US \$330,413 against the balance of Canada's bilateral contribution for 2005;
 - (ii) US \$45,765 against the balance of France's bilateral contribution for 2005;
 - (iii) US \$252,587 against the balance of Germany's bilateral contribution for 2005;
 - (iv) US \$3,559,500 against the balance of Japan's bilateral contribution for 2005;
 - (v) US \$101,700 against the balance of Portugal's bilateral contribution for 2005;
 - (vi) US \$135,600 against the balance of Spain's bilateral contribution for 2005;
 - (vii) US \$185,320 against the balance of Sweden's bilateral contribution for 2005;
 - (viii) US \$290,015 against the balance of Switzerland's bilateral contribution for 2005; and
 - (ix) US \$5,375,000 against the balance of the United States of America's bilateral contribution for 2005.

(Decision 47/12)

(c) Amendments to work programmes for 2005

(i) UNEP

64. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/47/14 containing UNEP's 2005 work programme amendments. Fifty activities had been submitted by UNEP, including 19 requests for new or renewed institutional strengthening projects. Twenty of the activities had been recommended for blanket approval and had been considered under agenda item 7(a) (Overview of issues identified during project review). Seventeen activities

associated with refrigerant management plans or national phase-out plans had been considered under agenda item 7(f) (Investment projects). Three proposals had subsequently been withdrawn by UNEP. The Executive Committee considered the remaining three proposals for renewal of institutional strengthening projects, together with seven other proposed activities, as indicated below.

Fiji (phase IV, 2nd year): renewal of institutional strengthening project

65. The representative of the Secretariat explained that phase IV of Fiji's institutional strengthening project had been approved at the 44th Meeting for only one year, without prejudice to the operation of the Protocol's non-compliance mechanism, because Fiji appeared to be in non-compliance with the methyl bromide freeze. Subsequently, Fiji had submitted a plan of action for methyl bromide phase-out to the 34th Meeting of the Implementation Committee and had submitted a request for funding for a project to give effect to the plan of action.

66. The Executive Committee decided to approve funding for the second year of phase IV of Fiji's institutional strengthening project, at the level of funding indicated in Annex II to the present report, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.

(Decision 47/13)

Samoa (phase III): renewal of institutional strengthening

67. The representative of the Secretariat explained that, while Samoa had now reported its 2004 ODS consumption to the Ozone Secretariat in accordance with Article 7 of the Montreal Protocol, it had not reported data on the progress of implementation of its country programme to the Fund Secretariat. According to the terminal report submitted with its institutional strengthening request, Samoa had received technical advice from the Asia Pacific Regional Network Coordinator concerning reporting requirements.

68. The representative of UNEP indicated that Samoa had sent the data requested to the Ozone Secretariat.

69. Following a discussion, the Executive Committee decided to approve phase III of the institutional strengthening project for Samoa at the level of funding indicated in Annex II to the present report and to express to the Government of Samoa the views that appear in Annex III to the present report.

(Decision 47/14)

Sierra Leone (phase II): renewal of institutional strengthening

70. The representative of the Secretariat explained that Sierra Leone had reported to the Fund Secretariat the consumption of 18.45 ODP tonnes of halon in 2004, which exceeded its Montreal Protocol baseline consumption level of 16.0 ODP tonnes and placed Sierra Leone in potential

non-compliance with the halon control measures. UNEP had reported that preparation of an action plan for Sierra Leone was under way to enable it to return to compliance and that the CAP team would continue monitoring the country's compliance status and provide additional assistance, as required, in cooperation with UNDP, which was preparing a halon phase-out plan.

71. Following a discussion, the Executive Committee decided to approve phase II of the institutional strengthening project for Sierra Leone for a one-year period at the level of funding indicated in Annex II to the present report, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance, and to express to the Government of Sierra Leone the views that appear in Annex III to the present report.

(Decision 47/15)

Burkina Faso, Rwanda, Seychelles, United Republic of Tanzania: Methyl bromide communication programmes

72. The representative of the Secretariat explained that the countries included in the project being submitted by UNEP had no baseline for methyl bromide and no current consumption. He said, however, that the guidelines on assistance to be provided to countries with zero baselines of methyl bromide had made provision for non-investment assistance to put in place measures to disallow imports of methyl bromide.

73. Following a discussion, and in accordance with paragraph (b) of decision 47/10, the Executive Committee decided that support to assist Burkina Faso, Rwanda, Seychelles and the United Republic of Tanzania in meeting their compliance obligations for methyl bromide should be provided under UNEP's CAP.

(Decision 47/16)

Kyrgyzstan: halon management and compliance strategy

74. The representative of the Secretariat explained that Kyrgyzstan had a zero baseline for halon and had consistently reported zero halon consumption until 2004 when consumption at a level of 2.4 ODP tonnes had been reported, thus putting Kyrgyzstan in potential non-compliance. An action plan had therefore been submitted to the Implementation Committee for consideration at its next meeting. While the project was not in UNEP's business plan, the Executive Committee had requested bilateral and implementing agencies to submit project proposals to the 47th Meeting or to include them in their 2006 business plans to address the risk of non-compliance in, *inter alia*, Kyrgyzstan (decision 46/4). However, in light of the decision taken under agenda item 7(a) (Overview of issues identified during project review) above, the Secretariat recommended that UNEP be invited to revise its proposal.

75. Following a discussion, the Executive Committee decided to request UNEP to revise its proposal on a halon management and compliance strategy for Kyrgyzstan in light of decision 47/10 and to resubmit its proposal to the 48th Meeting of the Executive Committee.

(Decision 47/17)

Nepal: Technical assistance in CTC management

76. The representative of the Secretariat explained that the eligibility and cost of the project had been agreed upon with UNEP and that the Secretariat had received from UNEP a copy of the letter from the Government of Nepal, as required by decision 45/14, acknowledging that Nepal would not seek additional assistance from the Fund for the phase-out of CTC.

77. The Executive Committee decided to approve the project proposal at the level of funding indicated in Annex II to the present report on the understanding that Nepal would not seek additional assistance from the Fund for the phase-out of CTC.

(Decision 47/18)

Updating UNEP's customs training manual

78. The Secretariat explained that UNEP had requested funding of US \$200,000 plus support costs to update its existing standard customs training manual. The standard training manual currently being used by CAP teams had been produced in 2001 and did not cover several areas that had emerged only recently, such as illegal trade and import/export licensing systems. The Secretariat had asked UNEP whether consideration had been given to the production of a supplementary document at lesser cost, possibly coupled with distribution by electronic means. UNEP had indicated that it would produce a complete, updated manual and that, while electronic distribution would be used, it could not replace hard copies because of the lack of appropriate infrastructure in many customs offices.

79. Following discussion of the need for an updated customs training manual, and the possibility of producing a more modest supplementary document, the Executive Committee decided to request UNEP to resubmit a project proposal for a more modest supplementary document to the 48th Meeting of the Executive Committee.

(Decision 47/19)

(ii) UNDP

80. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/47/15 containing UNDP's 2005 work programme amendments. Twelve activities had been submitted by UNDP, including five requests for renewal of institutional strengthening projects. Ten of the proposals were recommended for blanket approval and had therefore been considered under agenda item 7(a) (Overview of issues identified during project review). One request, for core unit funding, would be considered under agenda item 7(e) (2006 core unit costs for UNDP, UNIDO and the World Bank). One institutional strengthening renewal request was for individual consideration in the document.

Islamic Republic of Iran (phase V, year 2): renewal of institutional strengthening

81. The representative of the Secretariat indicated that funding for the renewal of the institutional strengthening project for the Islamic Republic of Iran (phase V) had been approved at the 44th Meeting for a one-year period, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance, on account of the Islamic Republic of Iran's potential non-compliance with the Montreal Protocol's control measures for CTC and TCA. He said that, according to the Islamic Republic of Iran's reported 2004 CTC and TCA consumption data, it was still potentially in non-compliance with its current baselines. UNDP had now reported that UNIDO was working with the Islamic Republic of Iran to prepare the information required by the Implementation Committee concerning revision of the Islamic Republic of Iran's baselines for CTC and TCA, and was also preparing projects to address consumption in those sectors.

82. On the basis of the information provided, the Executive Committee decided to approve the second year of Phase V of the institutional strengthening project for the Islamic Republic of Iran at the level of funding indicated in Annex II to the present report, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.

(Decision 47/20)

(iii) UNIDO

83. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/47/16 containing UNIDO's 2005 work programme amendments. Three activities had been submitted for funding, including one request for renewal of an institutional strengthening project. Two activities were recommended for individual consideration in the document and one request, for core unit funding, would be considered under agenda item 7(e) (2006 core unit costs for UNDP, UNIDO and the World Bank).

Islamic Republic of Iran: preparation of an MDI project

84. The representative of the Secretariat explained that UNIDO had requested funding of US \$70,000 plus support costs for preparation of an investment project to phase out CFC consumption in the manufacture of metered dose inhalers (MDIs) in the Islamic Republic of Iran. At its 41st Meeting, the Executive Committee had approved an agreement for a national CFC phase-out plan which specified that the Islamic Republic of Iran had agreed that, by its acceptance of the agreement and performance by the Executive Committee of its funding obligations, the country was precluded from applying for or receiving further funding from the Multilateral Fund in respect of the consumption of CFCs. The request was, therefore, not eligible for approval. The representative of the Secretariat added that UNIDO had been advised of that conclusion and of the option of requesting funding for an MDI transition strategy, which would be eligible.

85. It was, however, pointed out that the national CFC phase-out plan in the Islamic Republic of Iran did not contain any activities for dealing with MDIs. In the course of contacts with

UNIDO, the country had been able to demonstrate that the sector had been overlooked in the plan's preparation, as basic information on the sub-sector had not been available at the time.

86. On the basis of that information and after further discussion, the Executive Committee decided to approve funding of US \$70,000 plus support costs for preparation of an investment project to phase out CFC consumption in the manufacture of MDIs in the Islamic Republic of Iran, on the understanding that approval of funding of that project preparation was an exception and should in no way set a precedent for opening agreements between the Executive Committee and a country regarding limits on further funding.

(Decision 47/21)

Armenia: Training and awareness workshop activities to avoid the use of methyl bromide

87. The Secretariat explained that UNIDO had requested funding of US \$40,000 plus agency support costs for a workshop designed to help Armenia avoid the use of methyl bromide. The proposal represented the first request by the Government of Armenia for assistance from the Multilateral Fund after being classified as an Article 5 Party under decision XIV/2 of the Fourteenth Meeting of the Parties. Armenia had reported Article 7 data indicating a consumption of 1.02 ODP tonnes of methyl bromide in 2004, but had not established a baseline for methyl bromide consumption and thus appeared to be in potential non-compliance. A project funded by the Global Environment Facility (GEF) with a value of over US \$2 million was being implemented in Armenia, with the assistance of UNDP and UNEP. UNIDO had clarified that the GEF project did not address methyl bromide. The Secretariat added that a letter had been received from the Government of Armenia stating that it was dedicated to achieving complete phase-out of all controlled uses of methyl bromide without further assistance from the Multilateral Fund.

88. After a discussion, and in accordance with paragraph (b) of decision 47/10, the Executive Committee decided that support to assist Armenia in meeting its compliance obligations for methyl bromide should be provided under UNEP's Compliance Assistance Programme.

(Decision 47/22)

(iv) World Bank

89. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/47/17 containing two amendments to the World Bank's 2005 work programme. One request, for core unit funding, was to be considered under agenda item 7(e) (2006 core unit costs for UNDP, UNIDO and the World Bank). The other proposal, an institutional strengthening renewal, was for individual consideration.

Chile (phase VI year 2): renewal of institutional strengthening

90. The representative of the Secretariat indicated that funding for the renewal of phase VI of Chile's institutional strengthening project had been approved at the 45th Meeting for one year

only, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance, in view of Chile's non-compliance with the control measures for CFC-112, methyl chloroform and methyl bromide. The Government of Chile had since stated that it was not non-compliant with regard to CFC-112 and methyl chloroform and had put in place measures to achieve compliance with the methyl bromide freeze, including a suspension of imports of methyl bromide.

91. On the basis of that information, the Executive Committee decided to approve the second year of phase VI of the institutional strengthening project for Chile at the level of funding indicated in Annex II to the present report, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.

(Decision 47/23)

(d) Compliance assistance programme budget and work programme for UNEP for the year 2006

92. The Executive Committee had before it the Compliance Assistance Programme (CAP) budget and work programme for UNEP for the year 2006 (UNEP/OzL.Pro/ExCom/47/18), consisting of the proposed budget for the CAP, valued at US \$7,770,000 plus agency support costs of 8 per cent, amounting to US \$621,600.

93. Introducing the document, the representative of the Secretariat pointed out that UNEP's CAP budget submission for 2006 included a core budget request of US \$8,083,440 (including support costs), which represented funding priorities and reallocation between a number of line items to accommodate, *inter alia*, an increase from 75 to 85 per cent of the costs of the branch head position, a full-time assistant for the regional coordinator for Europe and Central Asia and increased funding for south-south cooperation. The core budget request represented an increase of 4 per cent, which was the historical allowance for inflation. He indicated that the main issue in the submission was the request for a permanent addition to the budget for information and awareness programmes, which for 2006 consisted of US \$207,000 plus support costs for the regional awareness programme previously funded through work programme amendments and US \$120,000 for global awareness activities. Inclusion of funding at an appropriate level for information and awareness might be considered on the basis that future budget increases would remain within the allowance of 4 per cent for inflation and that additional information and awareness activities would no longer be requested through work programme amendments.

94. During the ensuing discussion, a number of representatives expressed the view that a decision about whether to include funding for awareness and public information activities in the CAP budget, rather than requests through work programme amendments, should be deferred until the planned review of CAP activities had been completed in mid-2007. It was further suggested that funding for regional activities only might be included.

95. Some representatives drew attention to the need to provide support for countries with zero baselines and little or no consumption and to the discussion of that subject under agenda item 7(a); and that in accordance with paragraph (d) of decision 47/10 UNEP might request

additional CAP funding at the 48th Meeting of the Executive Committee to support those activities.

96. Following a discussion, the Executive Committee decided:

- (a) To approve the UNEP's Compliance Assistance Programme (CAP) budget for 2006 (Annex IV to the present report) at the amount of US \$7,770,000 plus support costs of US \$621,600 on the basis that:
 - (i) UNEP would not in future seek separate funding through its business plans or work programme amendments for awareness or public information activities, including the regional awareness programme previously funded at US \$200,000 per year;
 - (ii) UNEP would include in the annex to the CAP budget details regarding the use of all funds that support global awareness activities;
 - (iii) Requests for future increases in the CAP budget would be limited to 3 per cent, unless the Executive Committee was given evidence that inflationary pressures justified otherwise;
 - (iv) UNEP was encouraged to continue to extend the prioritization of funding between CAP budget lines so as to accommodate changing priorities; and
- (b) To request the Secretariat to liaise with UNEP and monitor the return of unspent funds in accordance with decision 35/36(d).

(Decision 47/24)

(e) 2006 core unit costs for UNDP, UNIDO and the World Bank

97. The representative of the Secretariat presented the document on 2006 core unit costs for UNDP, UNIDO and the World Bank (UNEP/OzL.Pro/ExCom/47/19). He pointed out that base rates for core unit costs had been approved at the 46th Meeting and that the 2006 core unit costs had to be approved at the last meeting of 2005.

98. The Executive Committee decided:

- (a) To note the document on 2006 core unit costs for UNDP, UNIDO and the World Bank (UNEP/OzL.Pro/ExCom/47/19); and
- (b) To approve US \$1.7 million each for core unit funding for 2006 for UNDP and UNIDO, and US \$1.5 million for the World Bank in accordance with decision 46/35.

(Decision 47/25)

(f) Investment projectsChiller demonstration projects

99. The representative of the Secretariat presented the report of the Secretariat on the experiences gained during project preparation and any need for changes in or amendments to the criteria approved in decision 46/33 with respect to chiller demonstration projects (UNEP/OzL.Pro/ExCom/47/20 and Add.1). The documents also contained comments on UNEP's project proposal regarding information, dissemination and awareness activities at a global level, as well as recommendations regarding both further action and the potential allocation of funding. Documents on chiller demonstration projects (UNEP/OzL.Pro/ExCom/47/21, Add.1 and Add.1/Corr.1) containing information regarding projects submitted by UNDP, UNIDO and the World Bank were also presented by the Secretariat.

100. A total of seven proposals for demonstration projects had been received from UNDP, UNIDO, the World Bank and Canada, to be implemented in a number of countries. The analysis of the project proposals showed that the quality of the technical information provided had been very good. Cost issues had been resolved and each agency had developed a unique methodology for the projects being proposed. In general, given the very short time frame for the preparation of projects, the availability of external resources had proved the most challenging condition to be met. The Secretariat had also found that certain criteria needed additional specification and quantification and had suggested a number of possible benchmarks.

101. In response to a request for clarification on the meaning of paragraph 42 (e) of document UNEP/OzL.Pro/ExCom/47/20/Add.1, the representative of the Secretariat said that external funding could be secured in a variety of ways such as loan guarantees, tax incentive legislation and regulation or the provision of funds through counterpart funding. He also said, in response to a question on whether the approvals would result in the use of HCFC technology, that the costs had been based on a standardized approach with funding probably sufficient for various different technologies.

102. Following the discussion, the Executive Committee established a contact group consisting of the representatives of Brazil, Cuba, the Czech Republic, The former Yugoslav Republic of Macedonia, the Syrian Arab Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America, with Austria acting as convener.

103. The convener of the contact group reported that agreement had been reached on all contentious points.

104. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation the work performed by the agencies and the Secretariat between the 46th and 47th Meetings for the preparation and evaluation of chiller demonstration project proposals;

- (b) To approve the following chiller demonstration projects, on the understanding that the external resources associated with the proposal were to be used only for activities considered to be part of the project costs as indicated in document UNEP/OzL.Pro/ExCom/47/21:
- (i) For Brazil, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$252,000, to replace at least 12 chillers in the country;
 - (ii) For the Caribbean Region, specifically the Dominican Republic, Jamaica and Trinidad and Tobago, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$690,000, to replace at least 14 chillers in the region;
 - (iii) For Colombia, at the amount of US \$1,000,000 plus support costs of US \$75,000 for UNDP, with external resources of US \$705,000, to replace at least 13 chillers in the country;
 - (iv) For Cuba, with UNDP as lead agency, at the amount of US \$787,482 plus support costs of US \$59,061 and US \$196,871, and support costs of US \$25,593 for the Government of Canada, with external resources of US \$410,125, to replace at least seven chillers in the country and to convert a further five chillers;
 - (v) For the East European region, specifically Croatia, The former Yugoslav Republic of Macedonia, Romania as well as Serbia and Montenegro, at the amount of US \$1,069,074 plus support costs of US \$80,181 for UNIDO, with external resources of US \$416,175, to replace at least 12 chillers in the region;
 - (vi) For the Syrian Arab Republic, at the amount of US \$585,961 plus support costs of US \$43,947 for UNIDO, with external resources of US \$27,195, to replace at least three chillers in the country and to convert at least a further four chillers; and
 - (vii) For the global chiller replacement project, at a level of US \$6,884,612 plus support costs of US \$516,346 for the World Bank, on the condition that implementation of the programme would include activities in China, India, Indonesia, Jordan, Malaysia, Philippines and Tunisia, with external resources of US \$13,769,224, to replace at least 150 chillers;
- (c) To set aside for future projects in the region of Africa a total of US \$2,000,000 plus support costs to be recorded as uncommitted obligations from the 2005 business plan, on the understanding that:

- (i) The non-investment component would be capped at a level of 10 per cent of the project costs for projects relating to one country and at a level of 15 per cent for regional projects;
 - (ii) The submission of project proposals for the funding of chiller retrofits was allowed, provided that the existing compressor was being replaced with a compressor of greater efficiency and the chiller to be retrofitted was less than 15 years old, the total investment including counterpart funding remained below US \$45,000 per retrofit, and the savings were calculated on the basis of the application of the established discount rate for 2.5 years;
 - (iii) The project proposals should make use of external resources such as national programmes, Global Environment Facility funding or other sources to the extent possible and should as a minimum provide external resources for 5 per cent of the project costs; and
 - (iv) Any funds remaining in the funding window after approval of projects for Africa at the 48th Meeting would be rolled into the World Bank's global chiller replacement project, on the understanding that those additional resources would be used with priority for projects in Africa;
- (d) To request UNEP, in line with decision 46/33, to prepare an amended project proposal to disseminate experience gained in the chiller demonstration projects on a global level, in particular for the benefit of those countries not participating in the demonstration projects, in collaboration with the implementing and bilateral agencies involved. The proposal was not to exceed the total of US \$200,000 plus support costs and should be submitted to the Secretariat at the latest eight weeks prior to the 48th Meeting of the Executive Committee;
- (e) That disbursement of the amounts approved under sub-paragraphs (b)(i) to (vii) above was dependent upon the availability of external resources as specified in the respective sub-paragraphs, to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Multilateral Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources as indicated in the respective sub-paragraphs;
- (f) To request all implementing and bilateral agencies involved to inform the Secretariat on an annual basis, in time for the last Meeting of the Executive Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed; and

- (g) That no further funding for chiller replacement would be approved by the Executive Committee.

(Decision 47/26)

Projects for individual consideration

105. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/47/12 containing a list of 19 projects for individual consideration. The projects were discussed separately, as indicated below. The last project in the list, a national phase-out plan for Tunisia, had been withdrawn by the World Bank for further refinement and was to be submitted to the Executive Committee at its 48th Meeting.

106. The Chair said that the following two production projects in China had been included for individual consideration because the Executive Committee was requested to approve the 2006 annual work programmes, without approving the disbursement.

China: Phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I): 2006 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/47/25)

107. Following a discussion, the Executive Committee decided to approve the 2006 annual work programme, noting that the request for funding and support costs would be submitted by the World Bank to the 48th Meeting together with a verification report on the implementation of the 2005 annual programme.

(Decision 47/27)

China: Sector plan for CFC production phase-out: 2006 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/47/25)

108. Following a discussion, the Executive Committee decided to approve the 2006 annual 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 48th Meeting together with a verification report on the implementation of the 2005 annual programme.

(Decision 47/28)

Mexico: Sector plan for phasing out CFC-11 and CFC-12 production sector (fourth tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/47/36)

109. The Chief Officer informed the Meeting that the Mexican CFC production plant at Quimobasicos had closed production in August 2005, nearly five years in advance of the phase-out requirements of the Montreal Protocol. She also said that decision 45/62 enabled the final tranche for the phase-out project to be released at the 47th Meeting of the Executive Committee subject to availability of funds.

110. Following a discussion, the Executive Committee decided:

- (a) To commend the Government of Mexico and UNIDO for the successful implementation of the CFC production closure agreement and the permanent closure of the CFC production capacity at Quimobasicos;
- (b) To request the Government of Mexico and UNIDO to continue monitoring the CFC production closure at Quimobasicos between 2006 and 2009, as proposed in the 2006 annual work programme; and
- (c) To approve the 2006 work programme of the Mexican CFC production phase-out agreement at US \$11,850,000, plus support costs of US \$880,750 for UNIDO on the understanding that the Fund Secretariat would instruct the Treasurer to transfer the funds as soon as they became available.

(Decision 47/29)

Islamic Republic of Iran: Total phase-out of methyl bromide in soil fumigation in olive seedlings, and fruit-tree nurseries (UNIDO) (UNEP/OzL.Pro/ExCom/47/30)

111. The representative of the Secretariat said that, on behalf of the Government of the Islamic Republic of Iran, UNIDO had submitted a project proposal to phase out 13.5 ODP tonnes of methyl bromide used in soil fumigation for olive seedlings and fruit-tree nurseries, which represented the total consumption of methyl bromide in controlled uses in the country. He indicated that all policy issues had been resolved and the incremental costs of the project had been agreed upon. The project was being submitted for individual consideration, consistent with the practice for all methyl bromide investment projects. A draft agreement between the Government of the Islamic Republic of Iran and the Executive Committee on the modalities for implementation of the project had been prepared.

112. The Executive Committee decided:

- (a) To approve the project for the total phase-out of methyl bromide in soil fumigation in olive seedlings and fruit-tree nurseries, at a total cost of US \$227,950 plus agency support costs of US \$20,516 for UNIDO; and
- (b) To approve the draft revised agreement between the Government of the Islamic Republic of Iran and the Executive Committee contained in Annex V to the present report.

(Decision 47/30)

Lebanon: Sector phase-out of methyl bromide in vegetables, cut-flower and tobacco production (fifth tranche) (UNDP) (UNEP/OzL.Pro/ExCom/47/32)

113. The representative of the Secretariat indicated that the Government of Lebanon had submitted, through UNDP and UNIDO, the 2005 progress report on implementation of the

projects for the phase-out of all remaining soil uses of methyl bromide in the production of cut flowers and tobacco and the phase-out of methyl bromide for soil fumigation in strawberry production. The 2006 annual implementation plans, with a request for funding of the fifth and last tranche, had also been submitted.

114. He indicated that the Government of Lebanon was proposing to introduce the use of low-dose chemicals and volcanic rock substrates in the cut-flower sector instead of the negative-steam technology that had originally been selected by all stakeholders. The total cost of the revised project was about US \$90,000 less than the cost of the original project.

115. The Executive Committee decided:

- (a) To approve the fifth tranche of the project for the phase-out of methyl bromide used for soil fumigation in strawberry production at the amount of US \$42,504 plus agency supports costs of US \$3,188 for UNIDO;
- (b) To approve the request for a change of technology in the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production in Lebanon;
- (c) To approve the revisions to the agreement between the Government of Lebanon and the Executive Committee approved at the 34th Meeting of the Executive Committee, which would reduce the overall cost of the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production from US \$2,600,000 to US \$2,510,000; and
- (d) To approve the fifth tranche of the project for the phase-out of methyl bromide in vegetable, cut-flower and tobacco production at the amount of US \$210,000 plus agency supports costs of US \$15,750 for UNDP.

(Decision 47/31)

Libyan Arab Jamahiriya: Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others (UNIDO) (UNEP/OzL.Pro/ExCom/47/33)

116. The representative of the Secretariat said that, on behalf of the Government of the Libyan Arab Jamahiriya, UNIDO and the Government of Spain had submitted a project proposal to phase out 96 ODP tonnes of methyl bromide used as a soil fumigant in horticulture. He indicated that the Libyan Arab Jamahiriya appeared to be in non-compliance with the 2002 control measure for methyl bromide as its 2004 consumption had been almost 2 ODP tonnes over its baseline. In that regard, the Government of the Libyan Arab Jamahiriya had been requested by the Ozone Secretariat to submit to the 35th Meeting of the Implementation Committee an explanation of the cause of the deviation in methyl bromide consumption. He explained that UNIDO expected that the project proposal would constitute the plan of action for bringing the Libyan Arab Jamahiriya into compliance with its obligations under the Montreal Protocol and for achieving the complete phase-out of all controlled uses of methyl bromide. He indicated that all technical issues had been resolved and the incremental costs of the project had been agreed upon. A draft agreement between the Government of the Libyan Arab Jamahiriya

and the Executive Committee on the modalities for implementation of the project had been prepared.

117. The Executive Committee decided:

- (a) To approve in principle the project for the phase-out of methyl bromide used as a soil fumigant in horticulture (tomatoes, cucumbers, peppers and others) at a total cost of US \$743,000 plus agency support costs of US \$55,725 for UNIDO and US \$500,000 plus agency support costs of US \$65,000 for the Government of Spain, on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of controlled uses of methyl bromide in the Libyan Arab Jamahiriya, and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) To approve the draft agreement between the Government of the Libyan Arab Jamahiriya and the Executive Committee contained in Annex VI to the present report; and
- (c) To approve US \$743,000 plus support costs of US \$55,725 for UNIDO, for implementation of the first tranche of the project.

(Decision 47/32)

Syrian Arab Republic: Phase-out of methyl bromide in grain fumigation (third tranche)
(UNIDO) (UNEP/OzL.Pro/ExCom/47/44)

118. The representative of the Secretariat indicated that, on behalf of the Government of the Syrian Arab Republic, UNIDO had submitted a progress report on implementation of the second tranche of the project for the phase-out of 105 ODP tonnes of methyl bromide used in grain fumigation in the Syrian Arab Republic and a request for the last tranche of the project.

119. He indicated that UNIDO estimated that the total phase-out of methyl bromide in grain fumigation would be achieved two years after the date proposed in the agreement because of delays in project implementation. The Government was therefore requesting a new schedule for phasing out methyl bromide in that sector. He also indicated that a plan to phase out the consumption of methyl bromide in other sectors would be addressed in the national phase-out plan for the Syrian Arab Republic, to be submitted to the Executive Committee at its 48th Meeting.

120. Following a discussion, the Executive Committee decided:

- (a) To take note of the request to change the schedule for the project for the complete phase-out of methyl bromide in grain storage, submitted by the Government of the Syrian Arab Republic;

- (b) To approve the revisions to the agreement between the Government of the Syrian Arab Republic and the Executive Committee to reflect the following phase-out schedule:

<u>Year</u>	<u>ODP tonnes</u>
2001	105.0
2002	100.8
2003	99.0
2004	65.7
2005	43.4
2006	18.0
2007	6.0
2008	0.0

- (c) To approve the third tranche of the project at the amount of US \$432,414 plus agency support costs of US \$32,431 for UNIDO, on the understanding that the remaining methyl bromide consumption eligible for funding would be 8.0 ODP tonnes once the project for the phase-out of methyl bromide in grain storage had been completed.

(Decision 47/33)

Turkey: Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (third and fourth tranches) (UNIDO) (UNEP/OzL.Pro/ExCom/47/46)

121. The representative of the Secretariat informed the Meeting that the Government of Turkey, through UNIDO, had submitted a progress report on implementation of the second tranche of the project for the phase-out of over 290 ODP tonnes of methyl bromide used in protected tomato, cucumber and carnation crops.

122. He indicated that, owing to delays in project implementation, the Government of Turkey had requested approval of only two tranches of US \$1 million each. UNIDO was now requesting disbursement of the third and fourth tranches of the project, at a total cost of US \$1.4 million. He commented that methyl bromide consumption had been reduced from 342.6 ODP tonnes in 2000 to 90.6 ODP tonnes in 2004, despite the delay in implementation of the project.

123. Following a discussion, the Executive Committee decided to approve funding for the third and fourth tranches of the project for the phase-out of methyl bromide in protected tomato, cucumber and carnation crops, at a total cost of US \$1,408,844 plus agency support costs of US \$105,663 for UNIDO.

(Decision 47/34)

Zimbabwe: Total phase-out of methyl bromide used in tobacco (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/47/47)

124. The representative of the Secretariat indicated that, on behalf of the Government of Zimbabwe, UNIDO had submitted a project for the phase-out of 170 ODP tonnes of methyl bromide used in the fumigation of tobacco seedlings. He indicated that, at the 31st Meeting, the Government of Zimbabwe and the Executive Committee had entered into an agreement for the phase-out of methyl bromide in Zimbabwe, specifically addressing consumption in the cut-flower sector. In that agreement, the Government had committed itself to reducing its national consumption of controlled uses of methyl bromide from a starting point of 598 ODP tonnes, which represented the 1999 level of methyl bromide consumption in Zimbabwe as reported in the cut-flower project. The 1999 methyl bromide consumption level subsequently reported by the Government under Article 7 had, however, been 108 ODP tonnes less than the amount indicated in the agreement.

125. At its 45th Meeting, the Committee had considered two requests for preparation of investment projects for the phase-out of methyl bromide in Zimbabwe. At that time, the Secretariat had pointed out that the project preparation requests could be recommended for approval on the understanding that the projects would address only the current levels of methyl bromide used in each sector and would achieve complete phase-out of methyl bromide use, without any further assistance from the Multilateral Fund for phasing out other controlled uses of methyl bromide in Zimbabwe. On that basis, UNIDO had submitted a project for the complete phase-out of methyl bromide used in soil fumigation.

126. The Executive Committee decided:

- (a) To approve in principle the project for phasing out methyl bromide use in the fumigation of tobacco seedlings, at a total cost of US \$3,724,972 plus agency support costs of US \$279,373 for UNIDO;
- (b) To approve the draft revised agreement between the Government of Zimbabwe and the Executive Committee contained in Annex VII to the present report; and
- (c) To approve US \$1,862,486, plus support costs of US \$139,686 for UNIDO, for implementation of the first tranche of the project.

(Decision 47/35)

China: Refrigeration servicing sector CFC phase-out plan: second tranche (Japan, UNEP, UNIDO) (UNEP/OzL.Pro/ExCom/47/25)

127. The representative of the Secretariat informed the Meeting that UNIDO, as the lead agency for the refrigeration servicing sector CFC phase-out plan for China, had submitted for consideration a request for release of the second tranche of that plan. The request was accompanied by a report on the first eight months of implementation of the first tranche; the activities planned for the rest of 2005; and a verification of consumption, indicating that consumption targets for the sector relating to the year 2004 had been met.

128. In addition, on behalf of the Government of China, UNIDO requested an increase of US \$550,000 in UNEP's share in the project, which would involve a consequential reduction in UNIDO's share and an amendment to the agreement – the third version within the past 12 months. At 13 per cent, the agency support costs of UNEP were higher than those of the other implementing agencies (7.5 per cent), which would lead to an additional financial burden of US \$30,250. China and UNEP had declared that neither was in a position to shoulder the extra costs.

129. The only change to the agreement was a reduction in the lead agency share of the project, without apparent changes to the actual implementation structure of the project. The Executive Committee was being asked to decide whether to approve the amendment to the agreement. Two work plans had been produced, one to suit each potential outcome, each of which had been reviewed by the Secretariat.

130. Representatives expressed concern about amending a legally binding agreement, particularly several times in such a short period; the potential decrease in commitment to such agreements; the effect on the status of the lead agency and its ability to assume its role as representative of the Multilateral Fund; the increase in support costs; and setting a dangerous precedent. It was therefore suggested that the Executive Committee consider ways to avoid such increases in funding in the future.

131. It was pointed out, however, that UNEP played an important role in capacity-building and awareness-raising activities for which China had requested further support.

132. Having considered the information provided, the Executive Committee decided:

- (a) To take note of the report on the implementation of the 2005 work programme (January to August) and the verification of the 2004 CFC consumption targets in the sector;
- (b) To retain the agreement between the Government of China and the Executive Committee as amended by decision 45/46;
- (c) To approve the related 2006 annual work plan; and
- (d) Also to approve the second tranche of the refrigeration servicing sector CFC phase-out plan, at a level of US \$3,000,000 plus support costs of US \$390,000 for the Government of Japan.

(Decision 47/36)

India: National CFC consumption phase-out plan focusing on the refrigeration service sector: 2006 work programme (UNDP, UNEP, UNIDO, Germany, and Switzerland) (UNEP/OzL.Pro/ExCom/47/29)

133. The representative of the Secretariat indicated that the Government of Germany, on behalf of the Government of India, had submitted the second phase of the national CFC

consumption phase-out plan covering the period April 2005 to March 2006 and was requesting the release of the third tranche of funding at the amount of US \$1,779,117, plus the corresponding support costs. The associated annual implementation plan for April 2006 until March 2007 showed demanding but realistic targets and was in line with the phase-out objectives and implementation plan until 2010.

134. As requested in decision 44/48, the Secretariat had received from the Government of Germany sufficient verification that the 2003 consumption in the former foam and refrigeration manufacturing sectors had remained below the targets for those sectors. The Secretariat had therefore advised UNDP, on 22 June 2005, that the funding related to those sectors for the 2005 tranche, as approved at the 44th Meeting, could be disbursed.

135. The Government of Germany was also seeking approval for outstanding amounts from previous tranches, not requested before, and had rolled them into the funding request for the third tranche. The resulting US \$600,000 that was requested in excess of the sum specified in the agreement for the third tranche, and the associated support costs, were based on the difference between the total amount that should have been paid for the previous tranches and the amounts actually paid.

136. Having considered the information provided, the Executive Committee decided:

- (a) To note that the Secretariat had received verification that the 2003 consumption in the former foam and refrigeration (manufacturing) sectors had remained below the targets for those sectors, and that the Secretariat had therefore advised UNDP, on 22 June 2005, that the funding related to those sectors for the 2005 tranche, as approved at the 44th Meeting, could be disbursed;
- (b) To take note, with appreciation, of the report of the achievements in the implementation of the 2004 annual implementation plan and of the comprehensive verification report; and
- (c) To approve the 2006 annual implementation plan and the third tranche of the phase-out plan, including funding remaining from previous tranches for UNDP, at the amount of US \$1,332,377 plus support costs of US \$112,417 for UNDP, US \$85,000 plus support costs of US \$11,050 for UNEP, US \$105,090 plus support costs of US \$13,662 for the Government of Germany and US \$256,650 plus support costs of US \$33,365 for the Government of Switzerland.

(Decision 47/37)

Turkey: Total phase-out of CFCs plan: 2006 annual programme (World Bank)
(UNEP/OzL.Pro/ExCom/47/46 and Corr.1)

137. The representative of the Secretariat indicated that the main issues associated with the request for approval of funding for the 2006 annual programme of the national CFC phase-out plan for Turkey related to the non-compliance by Turkey with one of the conditions for release of new funding, namely commitment of 80 per cent of the approved annual funding to

enterprise-level contracts for CFC phase-out. The level of commitment achieved in 2004 amounted to some 53 per cent. All other requirements for approval of release of funding for the 2006 annual programme, including CFC consumption limits, had been met by Turkey. The World Bank had subsequently indicated that the inability to meet the 80 per cent requirement for contracts entered into was due to unforeseen difficulties encountered in the small and medium-sized enterprise (SME) sector under the 2004 annual programme. Nevertheless, the total value of all contracts signed since the beginning of the project amounted to 90 per cent of the total funding approved.

138. The representative of the World Bank added that the requirement to commit 80 per cent of the annual funding level to enterprise-level contracts had in fact been met in the years up to 2004 when the difficulties with the SMEs occurred. Additional contracts were, however, due to be signed in the remaining few weeks of 2005, which would enable the Bank to rise above the 80 per cent threshold. Furthermore, he explained that the project in Turkey was a very ambitious one. Phase-out was ahead of schedule and due to be completed by the end of the year.

139. Following a discussion, the Executive Committee decided to approve the request for funding for the 2006 annual programme of Turkey's total CFC phase-out plan (fifth tranche) at the level of US \$750,000 plus support costs of US \$30,000 for the World Bank subject to all future annual programme approvals being dependent on strict compliance with the performance criteria established in the approved agreement.

(Decision 47/38)

Colombia: Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A. (World Bank)
(UNEP/OzL.Pro/ExCom/47/26)

140. The representative of the Secretariat informed the Executive Committee that, at the time the document had been prepared, a number of technical and cost issues remained to be resolved with the World Bank. Agreement had subsequently been reached on funding and incremental costs and the total cost of the project would be US \$114,480, plus support costs. The representative of the Secretariat explained that the level of the company's CTC consumption was very low, only 2 ODP tonnes in 2004, which made the cost-effectiveness ratio rather high at US \$41 per kg.

141. One representative pointed out that the estimated consumption of CTC in the chlorine production sector as a whole in Article 5 countries could be as much as 9,000 ODP tonnes, which was not negligible. Thus, it was important to look into the use of alternatives. It was also worth considering additional techniques that would improve the cost-effectiveness of similar projects for this CTC application.

142. Following a discussion, the Executive Committee decided:

- (a) To approve the request for funding at the level of US \$114,480 plus support costs of US \$10,303 for the World Bank for the phase-out of CTC as a process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal

S.A., Colombia, on the condition that the enterprise would have flexibility regarding the choice of the technologies presented in the project document; and

- (b) To request the World Bank to examine technologies and eventual sectoral plans relevant to the phase-out of CTC in the production of chlorine with a view to identifying more cost-effective alternatives and to report to a future meeting.

(Decision 47/39)

Afghanistan: Implementation of the national phase-out plan (Germany, UNEP) (UNEP/OzL.Pro/ExCom/47/22 and Add.1)

143. The representative of the Secretariat indicated that the Government of Germany and UNEP had jointly submitted a refrigerant management plan (RMP) project proposal for Afghanistan. He stated that the project had been submitted in accordance with decision 31/48 to achieve the 2007 allowable CFC consumption level and had also included a request to phase out CFC consumption in the foam sector.

144. He pointed out that, subsequent to the submission of the Afghanistan country programme, the Government of Afghanistan had officially reported its 2004 ODS consumption under Article 7 of the Montreal Protocol, which established consumption baselines for relevant ODS. The Fund Secretariat had therefore completed its review on the basis of the officially reported consumption data, which were identical to the data included in the RMP project proposal.

145. He indicated that Afghanistan, with a reported CFC baseline of 380 ODP tonnes, was not a low-volume-consuming country; therefore, the level of eligible funding for the phase-out of ODS in Afghanistan should be calculated according to national phase-out plans. Noting the unique situation in Afghanistan compared to other Article 5 countries, the Secretariat also suggested that a two-phase proposal be considered for the phase-out of CFCs in Afghanistan.

146. In this regard, the Government of Germany and UNEP agreed that the Afghanistan submission would be considered as a national phase-out plan rather than an RMP. Submitting the proposal in two phases, however, would only increase administrative hurdles and use up resources that would be better applied to the implementation of the project. Accordingly, the agencies had assisted the Government of Afghanistan to prepare a draft agreement for the complete phase-out of ODS.

147. Following a discussion in which two members expressed the view that they would have preferred the more cautious approach of a two-stage process, the Executive Committee decided:

- (a) To approve, in principle, the national phase-out plan for Afghanistan, at the amount of US \$1,065,806 plus agency support costs of US \$138,555 for the Government of Germany and UNEP;
- (b) To approve the draft agreement between the Government of Afghanistan and the Executive Committee contained in Annex VIII to the present report; and

- (c) To approve funding for the first tranche of the phase-out plan at the amount of US \$118,438 plus support costs of US \$15,397 for the Government of Germany and US \$305,000, plus support costs of US \$39,650 for UNEP.

(Decision 47/40)

Argentina: National CFC phase-out plan: 2006 work programme (UNIDO, World Bank)
(UNEP/OzL.Pro/ExCom/47/23)

148. The representative of the Secretariat stated that UNIDO, on behalf of the Government of Argentina, had submitted to the 47th Meeting of the Executive Committee a request for consideration of the second tranche of the national CFC phase-out plan for Argentina. The request was accompanied by a report on achievements of the previous annual programme and the annual implementation programme for the second tranche. Consumption in Argentina in 2004 was verified, and the list of activities for 2005 covered various activities, including an activity to reduce the use of CFC refrigerants for chillers, to be implemented by the World Bank.

149. As the World Bank was not originally to be a cooperating implementing agency in the agreement between Argentina and the Executive Committee, the agreement had to be revised with the necessary reallocation of funds. Argentina had requested the Executive Committee to consider such a revision and a draft of the proposed agreement was annexed to document 47/23.

150. Having considered the information provided, the Executive Committee decided:

- (a) To note the submission of the report on the 2004 annual implementation programme and the verification of 2004 CFC consumption in Argentina;
- (b) To note with appreciation that Argentina had an actual 2004 consumption that was almost one-third lower than the 3,220 ODP tonnes defined as maximum allowable consumption for 2004 in the agreement;
- (c) To approve the revised agreement between Argentina and the Executive Committee including the World Bank as a cooperating implementing agency for a chiller component, as proposed by Argentina, contained in Annex IX to the present report;
- (d) To approve funding of US \$2,350,000 plus support costs of US \$176,250 for the second tranche of the national CFC phase-out plan for Argentina as follows:
 - (i) US \$1,850,000 plus US \$138,750 in support costs for UNIDO; and
 - (ii) US \$500,000 plus US \$37,500 in support costs for the World Bank, to be used specifically for a chiller activity in Argentina.

(Decision 47/41)

Democratic People's Republic of Korea: National phase-out plan (UNEP, UNIDO)
(UNEP/OzL.Pro/ExCom/47/31)

151. The representative of the Secretariat indicated that UNEP and UNIDO had jointly submitted a national phase-out plan for the Democratic People's Republic of Korea. He indicated that, at its 40th Meeting, the Executive Committee had approved funding for the implementation of phase I of two projects in the refrigeration sector in the country: one project related to the conversion of a CFC-based domestic and commercial refrigerator and compressor manufacturing plant to non-ODS refrigerants; the other related to providing technical assistance and training programmes for the refrigeration servicing sector in order to achieve the 2005 Montreal Protocol's phase-out target.

152. During the implementation of phase I, the Government had put in place an ODS import/export licensing system and related ODS regulations. Production of CFC-based compressors and of domestic and commercial refrigeration equipment ceased in 2005. The CFC consumption level in the country fell from 321 ODP tonnes in 2001 to zero in 2004, as reported by the Government. All CFCs used in 2004 were provided from stockpiles produced before the end of 2003.

153. He said that the national phase-out plan addressed all the remaining CFC consumption used in the refrigeration servicing sector. All policy issues had been resolved, the incremental costs of the project had been agreed upon, and a draft agreement for the complete phase-out of CFCs had been prepared.

154. Following a discussion, the Executive Committee decided:

- (a) To approve, in principle, the CFC phase-out plan for the Democratic People's Republic of Korea at a total level of funding of US \$1,064,000 plus agency support costs of US \$68,640 for UNEP and US \$40,200 for UNIDO;
- (b) To approve the draft agreement between the Government of the Democratic People's Republic of Korea and the Executive Committee contained in Annex X to the present report; and
- (c) To approve funding for the first tranche of the phase-out plan at the amount of US \$234,600 plus support costs of US \$30,498 for UNEP and US \$536,000, plus support costs of US \$40,200 for UNIDO.

(Decision 47/42)

Fiji: Terminal phase-out management plan (UNDP, UNEP)
(UNEP/OzL.Pro/ExCom/47/27)

155. The representative of the Secretariat indicated that the Government of Fiji had submitted a terminal phase-out management plan for ODS to be implemented by UNDP and UNEP, at a total project cost, as submitted, of US \$396,300. He reported that, through enforcement of its ODS regulations and implementation of the RMP project approved at the 29th Meeting, the CFC

consumption level in Fiji had been zero since 2000. At its 45th Meeting, the Executive Committee had considered requests to prepare a project to achieve and sustain phase-out of all ODS in Fiji. The resulting project aimed to provide previously identified additional assistance, including a few ODS identification kits; some recovery/recycling machines; support for strengthening the local training centre for refrigeration technicians; and development of an ODS monitoring database. On that basis, the Executive Committee approved funding of the preparation of a terminal phase-out plan.

156. Taking into account similar costs for equipment and training requirements specifically identified by the Government of Fiji, and considering additional funding to strengthen the monitoring unit, the Secretariat proposed US \$120,000 as the maximum level of funding that could be recommended for Fiji.

157. The representative of UNEP indicated, however, that the Government of Fiji had encountered challenges in enforcing ODS regulations that could have a negative effect on Fiji's ability to sustain phase-out. During preparation of the phase-out plan, discussions had been held with all national stakeholders, in particular those responsible for enforcement and prosecution. The level of funding requested was based on the guidelines provided under decision 45/54 on phase-out plans for low-volume-consuming countries.

158. Following a discussion, the Executive Committee decided to approve funding of US \$40,000 plus agency support costs of US \$3,600 for UNDP and US \$80,000 plus agency support costs of US \$10,400 for UNEP as the total funding available to the Government of Fiji from the Multilateral Fund for the total elimination of CFC consumption in Fiji. This would be subject to disbursement being withheld pending agreement by the Secretariat to an implementation programme to be prepared and submitted by UNEP, and with the following conditions:

- (a) The Executive Committee agrees to provide Fiji with flexibility in using the agreed funds consistent with operational procedures as agreed among Fiji, UNDP and UNEP;
- (b) The Government of Fiji agrees to ensure accurate monitoring of the activities and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol;
- (c) Annual reports are submitted on the implementation of the activities undertaken in the previous year.

(Decision 47/43)

Saint Vincent and the Grenadines: Terminal phase-out management plan for CFCs (UNDP, UNEP) (UNEP/OzL.Pro/ExCom/47/42)

159. The representative of the Secretariat indicated that the terminal CFC phase-out management plan (TPMP) for Saint Vincent and the Grenadines had been prepared by the Government with support from UNEP and UNDP. It proposed a combination of investment and

non-investment activities in the refrigeration and air-conditioning servicing sector with a request to approve funding in principle of US \$237,000, which would result in the complete phase-out of present CFC consumption of 2.09 ODP tonnes by 31 December 2009.

160. Saint Vincent and the Grenadines was presently in non-compliance pursuant to decision XV/42 of the Fifteenth Meeting of the Parties, and had submitted a commitment to the Sixteenth Meeting of the Parties to reduce its consumption according to an agreed schedule. The Government had recently established ODS phase-out regulations.

161. As Saint Vincent and the Grenadines was in non-compliance and followed a specific phase-out schedule based on its action plan submitted to the Implementation Committee, the Secretariat suggested that maximum consumption be based on the phase-out schedule submitted to the Implementation Committee.

162. Having considered the information provided, the Executive Committee decided:

- (a) To approve, in principle, the terminal phase-out plan for Saint Vincent and the Grenadines, at the amount of US \$237,000 plus agency support costs of US \$25,690 for UNDP and UNEP;
- (b) To approve the associated agreement between Saint Vincent and the Grenadines and the Executive Committee of the Multilateral Fund for the phase-out of ozone depleting substances, contained in Annex XI to the present report; and
- (c) To approve the first tranche of the plan at the amount of US \$101,000 plus support costs of US \$9,090 for UNDP and US \$67,000 plus support costs of US \$8,710 for UNEP.

(Decision 47/44)

AGENDA ITEM 8: COUNTRY PROGRAMMES

Afghanistan

163. The representative of the Secretariat introduced the country programme for Afghanistan (UNEP/OzL.Pro/ExCom/47/48). He indicated that, at their Sixteenth Meeting, the Parties had noted that Afghanistan was in non-compliance with its data reporting obligations. Since then, Afghanistan had submitted ODS consumption data for relevant years and consumption baselines had already been established.

164. The representative of the Secretariat pointed out that, during the Secretariat's review of the Afghanistan country programme, the Government had officially reported its ODS consumption pursuant to Article 7 of the Montreal Protocol. The Secretariat had therefore completed its review based on the officially reported consumption data, which were identical to the data in the RMP project proposal. The country programme, as submitted, included two requests: one for additional funding for the institutional strengthening project; and the other for

an RMP project proposal. He indicated that both projects had already been considered by the Executive Committee under agenda item 7 (Project proposals).

165. Following a discussion, the Executive Committee decided:

- (a) To express appreciation to the Government of Afghanistan for submitting data pursuant to Article 7 under difficult circumstances;
- (b) To approve the country programme of Afghanistan, noting that approval did not denote approval of the projects identified therein or their funding levels; and
- (c) To request the Government of Afghanistan to report to the Executive Committee on the progress made in implementing the country programme annually, noting that the first report should be submitted to the Secretariat no later than 1 May 2007.

(Decision 47/45)

Country programme update: Tunisia

166. The representative of the Secretariat introduced the country programme update for Tunisia contained in documents UNEP/OzL.Pro/ExCom/47/49 and Corr.1. He said that considerable progress had been achieved in implementing the Tunisia country programme approved at the 19th Meeting of the Executive Committee in May 1996. Forty-five projects and activities at a total cost of US \$7.33 million had been approved to phase out 1,019.2 ODP tonnes of ODS, of which 92 per cent had been phased out as of December 2004, with the disbursement of 92.5 per cent of the approved funds. As a result, at the end of 2004, Tunisia's levels of consumption of both CFCs and halons were much below the 2005 50 per cent reduction requirements. He also said that the country programme update had been prepared with a view to providing an updated action plan for successful completion of ODS phase-out in the country. He added that, in this regard, the country programme update had some shortcomings that needed to be addressed by the Government of Tunisia and the World Bank in the national ODS phase-out plan being finalized for submission to a future meeting. Those included the quality of the consumption data at both the enterprise and sector levels, which generally lacked verifiable supporting information; incorrect assumptions of the maximum level of CFC consumption eligible for funding; the need for more coordination of the activities of the agencies involved in various aspects of the implementation of an eventual phase-out plan; and the eligibility of proposed costs of the various components of the plan. However, those issues mainly affected the preparation of a national phase-out plan and would not preclude approval of the country programme update.

167. Following a discussion, the Executive Committee decided to approve the Tunisia country programme update, noting that approval of the country programme update did not denote approval of the projects identified therein or their funding levels.

(Decision 47/46)

AGENDA ITEM 9: ACCOUNTS OF THE MULTILATERAL FUND**(a) Final 2004 accounts**

168. The Treasurer presented the 2004 final accounts of the Multilateral Fund, which formed part of the UNEP financial statements and were contained in documents UNEP/OzL.Pro/ExCom/47/50 and Corr.1. He indicated that the United Nations Board of Auditors had audited the financial statements in April 2005, but UNEP had yet to receive the official management letter on the audit. However, there was an assurance from the United Nations Board of Auditors that there were no major issues that were materially different or unique in the UNEP statements compared to the results of past audits.

169. Following a discussion, the Executive Committee took note with appreciation of the 2004 final accounts.

(b) Reconciliation of the 2003 and 2004 accounts

170. The representative of the Secretariat presented the document on reconciliation of the 2003 and 2004 accounts (UNEP/OzL.Pro/ExCom/47/51/Rev.1), which addressed the differences in financial reporting between the implementing agencies and the Secretariat and differences in the financial reporting of the agencies. He explained that, after the reconciliation of accounts, the document indicated the possible need to recover US \$103,948 from UNDP and US \$32,735 from UNIDO, and that the Treasurer would also need to transfer US \$96,680 to the World Bank.

171. He also said that one of the reasons for the revision had been the different ways in which the implementing agencies had treated miscellaneous income, bank charges and exchange rate losses and gains. UNEP had assigned those charges to project approvals, whereas UNDP had only done so whenever specific projects could be identified. Otherwise, UNDP had assigned the miscellaneous charges as administrative costs, which had also generally been the practice of the World Bank. UNIDO had indicated that it would offset those costs as negative miscellaneous income against interest collected.

172. After considering the explanation of the Secretariat, the Executive Committee decided:

(a) To note:

- (i) The reconciliation of the 2003 and 2004 accounts as presented in document UNEP/OzL.Pro/ExCom/47/51/Rev.1;
- (ii) The changes to the Inventory of Approved Projects for the projects indicated in Table 2 of the document;

(b) To request the Treasurer to make the appropriate adjustments and to ensure that funds transferred to the implementing agencies were the net amounts authorized by the Executive Committee; and

- (c) To request the Secretariat, in cooperation with the implementing agencies and the Treasurer, to submit a report, as a follow-up to the present decision, on options for a consistent approach to the application of miscellaneous income, exchange rate losses and gains, and bank charges for funds approved by the Executive Committee and any consequences of alternative approaches, for consideration by the Executive Committee at its 48th Meeting.

(Decision 47/47)

AGENDA ITEM 10: REVISED 2006, 2007 AND PROPOSED 2008 BUDGETS OF THE FUND SECRETARIAT

173. The Executive Committee considered the revised budgets of the Fund Secretariat for 2006 and 2007 and the proposed budget for the salary component for 2008, which were presented by the Secretariat in document UNEP/OzL.Pro/ExCom/47/52.

174. The representative of the Secretariat said that the 2006 budget had been revised to include the Secretariat's operational costs, which had been maintained at the same level as in previous years. It also included an increase of US \$73,300 to cover the cost of upgrading a General Service post from G4 to G5 and the creation of a new information technology junior post at P2 level, which was needed to respond to increased requirements in information technology and network security in the Secretariat. The 2007 budget had also been revised to reflect the additional costs resulting from the upgraded General Service post and the establishment of the new information technology post. She said that the proposed 2008 budget reflected staff costs for 2008 and would enable the extension of staff contracts based on the proposed 2007 staff salary level, using a 5 per cent rate applied to the 2007 staff cost level. She also reminded the Executive Committee that, pursuant to decision 42/42 (b), an annual fee amounting to US \$500,000 had been approved for the services of UNEP as Treasurer of the Fund on the condition that the functions of the Treasurer were clearly distributed between a P4 and a P5 staff member.

175. In response to a number of requests for clarification of the need for a new information technology officer and the application of a 5 per cent rate in calculating the staff costs for 2008, the Chief Officer explained that the proposed P2 position was needed to deal with the increased responsibilities in computer network management in the Secretariat as the infrastructure had to be maintained on a daily basis. She said that without staff with the appropriate level of professional knowledge and experience, the Secretariat's data were at risk.

176. The representative of the Secretariat explained that the 5 per cent rate was only an estimate and had historically proven to be adequate for the Montreal duty station, taking into account the fact that the salaries were calculated on the basis of United States dollars. She indicated that staff costs were recorded at the United Nations Office at Nairobi to reflect actual staff expenditures.

177. One representative requested clarification on the distribution of the functions of the Treasurer between the P4 and P5 posts, and suggested that the transfer of US \$500,000 to UNEP

be withheld in the absence of a P5 position. The Chief Officer informed the Committee that the issue was under discussion with UNEP and that she would further address it with UNEP during her forthcoming mission to Nairobi. In response to one representative's question on the use of the US \$500,000 and the appointment of a P5 staff member, the Treasurer explained that two P4 staff members had been assigned to undertake those activities. A number of representatives were of the opinion that some of the funds that had been approved for transfer to the Treasurer pursuant to decision 42/42(b) should be withheld until the 48th Meeting of the Executive Committee.

178. Following a discussion, the Executive Committee decided to approve the following budgets as reflected in Annex XII to the present report:

- (a) The amount of US \$1,023,680 in the revised 2006 budget of the Fund Secretariat totalling US \$3,572,455 to cover the 2006 salary component already approved at the 44th Meeting of the Executive Committee and the 2006 operational costs of the Secretariat, as well as the upgrade of a General Service post from G4 to G5 and an additional P2 post;
- (b) The amount of US \$102,589 in the revised 2007 salary component of the budget totalling US \$2,778,803, including an increase of 3.69 per cent as a result of the upgrade of a General Service post from G4 to G5 and the additional P2 post;
- (c) The proposed 2008 salary component of the budget, totalling US \$2,898,976; and
- (d) That the Secretariat withhold an amount of US \$100,000 from its next transfer of US \$500,000 to UNEP pursuant to its agreement with UNEP pending the report from the Secretariat on the issue to the 48th Meeting of the Executive Committee.

(Decision 47/48)

AGENDA ITEM 11: PRELIMINARY RESULTS OF AN ANALYSIS OF POSSIBLE FURTHER ACTION AND POLICIES REQUIRED TO ASSIST COMPLIANCE WITH ALL ODS PHASE-OUT REQUIREMENTS, INCLUDING THE REVIEW OF INSTITUTIONAL STRENGTHENING PROJECTS ENVISAGED UNDER DECISION 35/57 (FOLLOW-UP TO DECISION 45/55)

179. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/47/53 on the preliminary results of an analysis of possible further action and policies required to assist compliance with all ODS phase-out requirements, including the review of institutional strengthening projects envisaged under decision 35/57 (follow-up to decision 45/55). The document had been prepared in light of the issues raised in the supplementary paper submitted by the Government of China (UNEP/OzL.Pro/ExCom/45/47). He indicated that the issues presented in the paper fell into three principal categories: the first was consideration of the adequacy of current institutional strengthening and capacity-building activities funded under the Multilateral Fund to support phase-out and compliance with the Montreal Protocol control measures up to and including 2010; the second issue was the potential need for institutional

support to Article 5 countries after 2010; and the third issue was an initial assessment of the opportunities for more efficient and effective administration of institutional strengthening project renewals.

180. The Secretariat had provided some conclusions, including the suggestion that the institutional support measures already in place constituted an appropriate response to meeting the needs of Article 5 countries in regard to their compliance obligations under the Montreal Protocol up to and including 1 January 2010. The Secretariat had also offered to prepare a paper for the 49th Meeting examining the processing of requests for renewal of institutional strengthening projects to simplify reporting requirements and approval procedures.

181. One representative stressed the importance of addressing funding and institutional strengthening support for Article 5 countries beyond 2010, for their HCFC, methyl bromide and CTC phase-out. She drew attention to the issue of multi-year projects, the implementation of which could go beyond 2010, and suggested that countries might need continuing support to ensure the success of those projects.

182. The problems facing low-volume-consuming countries were highlighted, together with the extent of the work involved in meeting phase-out requirements in proportion to the low levels of ODS consumption in question. It was recalled, however, that the issue of countries with zero baselines had been considered under agenda item 7 (a) (Overview of issues identified during project review) and also that the Senior Monitoring and Evaluation Officer was in the process of preparing an evaluation of cases of non-compliance with the freeze in consumption of CFCs, halons and methyl bromide, including for low-volume-consuming countries, and would also conduct a desk study on UNEP's CAP in 2006.

183. It was emphasized that the responsibility of countries to set up effective licensing systems to control all ODS was essential for ensuring compliance to enable all countries to meet their Montreal Protocol control obligations, however low the level of consumption.

184. It was also recalled that the Executive Committee had increased the minimum level of funding available to low-volume-consuming countries for institutional strengthening projects at its 43rd Meeting in recognition of the problems they were facing.

185. One representative suggested that the level of funding for institutional strengthening be increased to take inflation into account. Another representative warned that it might be premature to examine the situation that Article 5 countries might face after 2010 before the end of the 2006-2008 triennium. The market situation and available technology could change substantially and the conclusions reached might no longer be valid.

186. Following a discussion, the Executive Committee decided:

- (a) To note that in the compliance period specific measures had been taken to provide additional, and guaranteed institutional support and to re-focus the work of the Executive Committee on facilitating compliance;

- (b) To agree that the measures already taken constituted an appropriate response to meeting the needs of Article 5 countries in regard to their compliance obligations under the Montreal Protocol up to and including 1 January 2010;
- (c) To note that the anticipated actions required by Article 5 countries to meet compliance obligations after 2010 provided an indication that funding support for institutional strengthening might need to be continued after 2010;
- (d) That possible funding arrangements and levels for institutional strengthening support beyond 2010 should be examined at the end of 2007;
- (e) To explore the extent, nature and eligibility of any additional measures that might be considered for funding by the Executive Committee to address surveys, institutional measures and/or other preparatory activities for HCFC phase-out in the light of the results of the China policy study and the surveys carried out by UNDP;
- (f) To acknowledge that institutional strengthening support might need to be revised in accordance with the Executive Committee's guidelines when a country formally revised its baseline with the Parties to the Protocol; and
- (g) To request the Secretariat, in consultation with the implementing agencies, to prepare for the 49th Meeting a paper examining the relative merits of replacing the current requirements for submission of requests for renewal of an institutional strengthening project with a simplified arrangement that would make use of the report on progress on implementation of country programmes, which is now provided annually by all Article 5 countries receiving support from the Multilateral Fund, together with an annual cycle of funding renewals, but with no change to the annual levels of funding provided.

(Decision 47/49)

AGENDA ITEM 12: NEW OPTIONS FOR MONITORING AND ASSESSING THE PROGRESS OF AGENCIES WITH REGARD TO MULTI-YEAR AGREEMENTS (FOLLOW-UP TO DECISION 46/8)

187. The representative of the Secretariat presented the report on new options for monitoring and assessing the progress of agencies with regard to multi-year agreements (follow-up to decision 46/8) contained in document UNEP/OzL.Pro/ExCom/47/54. He indicated that the Secretariat had invited the agencies to Montreal for a coordination meeting to discuss a draft of the paper and to clarify any remaining issues, and that some of their comments had been incorporated into the paper.

188. The document explained the current system of monitoring multi-year agreements, outlined how modifications to completion dates for annual tranches could facilitate the use of available monitoring tools that tracked balances and delays, and discussed how those tools could

be used in regard to reporting on delayed tranches and delayed submissions of tranches. It also considered the issue of defining phase-out for annual tranches of multi-year agreements, and concluded with two options recommended for adoption, which would enhance the monitoring of annual national implementation plans and allow for more accurate reporting of completion dates for annual tranches.

189. Having considered those issues and following some discussion of concerns regarding the level of progress reporting required on multi-year agreements, the Executive Committee decided:

- (a) To note the report on options for monitoring and assessing the progress of agencies with regard to multi-year agreements contained in document UNEP/OzO.Pro/ExCom/47/54;
- (b) To adopt the following options for improving the accuracy of progress reporting on multi-year agreements:
 - (i) To request the Secretariat and the implementing agencies to continue to review the national implementation carried out in the previous year and to provide additional information in annual implementation plan submissions on disbursements and completed activities, including information on when delayed activities funded by an annual tranche were to be completed. There should also continue to be a comparison of what had been planned in the previous annual tranche and what had been achieved. The disbursement information should be provided cumulatively and data concerning actual or planned commitments could also be provided, as appropriate. The information should also specify how the relevant flexibility clause in the agreement was implemented and/or how to allocate unused funds from previous tranches. In this respect, it should be reiterated that the flexibility clause decision applied only to multi-year agreements approved at or after the 46th Meeting (decision 46/37(j));
 - (ii) To request the Secretariat to continue to monitor annual tranches in the context of documents on implementation delays and balances, noting that those monitoring tools appeared to have encouraged the removal of impediments to completing projects and activities and so resulted in more timely final disbursement of approved funds to Article 5 countries. To make the process more effective, it could further request implementing agencies to include in funding requests for annual tranches the dates of completion of the tasks associated with those annual tranches;
- (c) To request implementing agencies to record phase-out according to the actual and real levels of consumption achieved in annual tranches of multi-year agreements, while noting that in some cases the phase-out might need further explanation and that there should be consistency in the use of the definition of planned and actual phase-out;

- (d) That a separate sub-agenda item on delays in the submission of annual tranches and disbursement of funds for tranches and obligations should be included for future meetings; and
- (e) To request implementing agencies to inform countries of the need to exceed the phase-out indicated in an agreement where necessary to meet the obligations of the Montreal Protocol, as well as those cases where actual consumption or production data had resulted in changes to the phase-out indicated in the agreements.

(Decision 47/50)

AGENDA ITEM 13: PERFORMANCE INDICATORS (FOLLOW-UP TO DECISION 46/14)

190. The Executive Committee considered the document on performance indicators (follow-up to decision 46/14) (UNEP/OzL.Pro/ExCom/47/55). The representative of the Secretariat indicated that it presented comments from two Executive Committee members and was a revision of the document on qualitative performance indicators and the feasibility and desirability of extending current performance indicators to bilateral agencies (UNEP/OzL.Pro/ExCom/46/17).

191. Having considered the revised weightings for quantitative performance indicators and the issue of extending current performance indicators to bilateral agencies, the Executive Committee decided:

- (a) To take note of the document on performance indicators (follow-up to decision 46/14) (UNEP/OzL.Pro/ExCom/47/55);
- (b) To adopt the revised weightings for quantitative performance indicators to apply as of the 2005 evaluation of the performance of multilateral implementing agencies, as follows:

Type of indicator	Item	Weighting	Sub-total
Approval	Multi-year tranches approved	15	
Approval	Individual projects/activities approved	10	
			25
Implementation	Milestone activities completed	20	
Implementation	ODS phased-out for individual projects	15	
Implementation	Project completion	10	
Implementation	Policy/regulatory assistance completed	10	
			55
Administrative	Speed of financial completion	10	
Administrative	Timely submission of project completion reports	5	
Administrative	Timely submission of progress reports	5	
			20

- (c) Not to require bilateral implementing agencies to set targets for performance indicators.

(Decision 47/51)

AGENDA ITEM 14: PROPOSED TERMS OF REFERENCE, BUDGET AND MODALITIES FOR A STUDY REGARDING COLLECTION, RECOVERY, RECYCLING, RECLAMATION, TRANSPORTATION AND DESTRUCTION OF UNWANTED ODS (FOLLOW-UP TO DECISION 46/36)

192. The representative of the Secretariat presented the document on the proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36) (UNEP/OzL.Pro/ExCom/47/56).

193. During the ensuing discussion, general agreement was expressed concerning the need to hold a meeting of experts, which should include persons from National Ozone Units (NOUs). Nevertheless, it was agreed that an informal group, chaired by the representative of Brazil, should meet to discuss the terms of reference for the proposed study.

194. The representative of Brazil, as chair of the contact group, reported on the group's progress. She indicated that the contact group had agreed that there should be consideration of the extent of quantities of non-reusable and unwanted ODS before considering the terms of reference for the study on the collection, recovery, recycling, reclamation, transportation and destruction of ODS. Members of the contact group further agreed upon the need to have clearly defined terms to frame the discussion. In particular, it was critical to define what was meant by unwanted ODS, and recoverable, reclaimable, non-reusable, and non-contaminated (virgin) ODS.

195. The contact group had discussed how to obtain data, for example from NOUs, from surveys, through sampling techniques, from consultants, and/or from a meeting of experts. She indicated that the contact group had suggested that as much data as possible on unwanted, recoverable, reclaimable, non-reusable and virgin ODS should be collected and disseminated to participants and that experts from Article 5 and non-Article 5 countries should be represented at the meeting of experts.

196. Finally, the contact group concurred that there was a need to discuss further the objectives and purpose of the study before agreeing to the final terms of reference. Several members of the group also stated that they would like to submit their comments in writing regarding individual items in the proposed terms of reference.

197. Several representatives reiterated the importance of having consistent data and a standard reporting format on which to base discussions, as well as the importance of having equitable representation.

198. In response to the query on how the proposed budget figure was reached, the representative of the Secretariat indicated that it was a maximum allocation, and that it would cover, *inter alia*, experts and representatives of Article 5 members. Any funds not spent would be returned to the Multilateral Fund.

199. Following the discussion, the Executive Committee decided:

- (a) To request the Secretariat:
 - (i) To organize a meeting of experts in Montreal, Canada, from 22 to 24 February 2006 to assess the extent of current and future requirements for the collection and disposition (emissions, export, reclamation and destruction) of non-reusable and unwanted ODS in Article 5 countries;
 - (ii) To recruit consultants to collect and elaborate as many data as possible on unwanted, recoverable, reclaimable, non-reusable and virgin ODS in Article 5 countries for dissemination to participants in the meeting of experts;
 - (iii) To develop, in cooperation with the consultants, a standard format for reporting data on unwanted, recoverable, reclaimable, non-reusable and virgin stockpiled ODS;
- (b) To request implementing agencies, Executive Committee members (on a voluntary basis for existing data) and National Ozone Units (on a voluntary basis for existing or additional new data) to provide data and related information to the Secretariat, by 15 February 2006, to constitute an initial sample reflecting situations in both Article 5 and non-Article 5 countries;
- (c) To request the Chair of the Executive Committee, through the Meeting of the Parties, to seek the assistance of the Technology and Economic Assessment Panel (TEAP) and its technical options committees in providing the data mentioned above;
- (d) To note, with appreciation, the offer of UNEP to provide data from the regional networks and ODS recovery and disposal workshops conducted by Japan, as well as information on Article 5 experts;
- (e) To agree to consider further, at its 48th Meeting, the proposed terms of reference requested in decision 46/36 contained in document UNEP/OzL.Pro/ExCom/47/56 in light of the outcome of the meeting of experts and any written comments submitted; and
- (f) To allocate a separate budget line of US \$50,000 for the meeting, to cover the costs of experts' fees, travel and daily subsistence allowance, the travel and daily subsistence allowances of participating Article 5 countries and miscellaneous expenses, noting that costs of the consultant would be covered under the

Secretariat's budget, with the understanding that there would be a balance between Article 5 and non-Article 5 Executive Committee members attending the meeting.

(Decision 47/52)

AGENDA ITEM 15: REPORT ON DOCUMENTING THE INTERNAL PROCEDURES AND PRACTICES OF THE TREASURER

200. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/47/57. She recalled that the 45th Meeting of the Executive Committee had requested the Treasurer "to report on progress in documenting the Treasurer's internal procedures and practices annually until they had been fully documented" (decision 45/59(f)(ii)) and that recommendation 23 of the sub-group on the study on the financial mechanism had requested the Treasurer to report to the 46th Meeting on final progress on documenting the internal procedures and practices of the Treasurer. Recommendation 23 also required the Executive Committee to "report back to the Parties once the internal procedures and practices of the Treasurer had been documented". She indicated that the document was an update of document UNEP/OzL.Pro/46/Inf.2 and presented the final progress in documenting the internal procedures and practices of the Treasurer as they related to the overall responsibilities of the Treasurer in providing the Committee with regular and updated reports.

201. Each section of the document referred to relevant documentation and reference material to give a better understanding of the procedures and practices. It took account of the outcome of the workshop on common terminology and procedures, which provided an opportunity for all stakeholders to agree on common terminology, reporting formats and deadlines. It also made mention of a manual that was being compiled by the Treasurer and the Secretariat for internal use.

202. The Executive Committee took note of the final report on documenting the internal procedures and practices of the Treasurer, contained in document UNEP/OzL.Pro/ExCom/47/57, as well as the recommendation of the Secretariat that the issue of documenting the internal procedures and practices of the Treasurer should be included in the report of the Executive Committee to the Seventeenth Meeting of the Parties.

AGENDA ITEM 16: DRAFT OF AN EXECUTIVE COMMITTEE PRIMER (FOLLOW-UP TO DECISION 46/41)

203. The representative of the Secretariat presented the draft Executive Committee primer (UNEP/OzL.Pro/ExCom/47/58) developed in response to decision 46/41 and intended to guide new Executive Committee members through the meeting process. It was proposed that new members of the Committee be provided with an orientation package comprising the primer, the new booklet *Creating a real change for the environment*, and a directory of Multilateral Fund contacts. The representative of the Secretariat suggested that the primer be made available to new members in advance of the first meeting of the Executive Committee in 2006.

204. The Meeting expressed its appreciation of the work undertaken by the Secretariat and considered the document to be an extremely useful introduction to the work of the Committee.

205. Several representatives expressed a wish to make additional comments on the draft primer, but given the detailed nature of their remarks, it was felt that they should be submitted in writing to the Secretariat.

206. Following a discussion, the Executive Committee decided:

- (a) To note the draft Executive Committee primer contained in document UNEP/OzL.Pro/ExCom/47/58;
- (b) To request Executive Committee members to submit their written comments on the draft primer to the Secretariat by 6 January 2006; and
- (c) Having taken account of those comments, to request the Secretariat to circulate the draft primer for final clearance by current Executive Committee members prior to finalization and distribution to new Executive Committee members in advance of the first meeting of 2006, on the understanding that it would be further updated on an ongoing basis.

(Decision 47/53)

AGENDA ITEM 17: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR

207. The Executive Committee's Subgroup on Production, with two additional members, Austria and The former Yugoslav Republic of Macedonia, met during the Meeting to consider three projects. Canada acted as facilitator for the Meeting of the Subgroup.

208. The representative of Canada, speaking on behalf of the Subgroup, presented the results of its deliberations as described in document UNEP/OzL.Pro/ExCom/47/59. He said that the Subgroup had considered the sector plan for the ODS production sector in Romania, the sector plan for the methyl bromide production sector in China and the sector plan for phase-out of ODS process agent applications (Phase II) and corresponding CTC production in China.

209. After a brief discussion, the Executive Committee decided:

- (a) To approve the agreement for the Romania ODS production sector at a total level of funding of US \$6.3 million, in principle, as contained in Annex XIII to this document, and the first tranche at US \$3,200,000 plus the support costs of US \$240,000 for UNIDO, with the understanding that the funding would eliminate the entire CTC production capacity, including the capacity for CTC co-production;

- (b) To approve the agreement for phasing out methyl bromide production for controlled uses in China at a total level of funding of US \$9.79 million, in principle, as contained in Annex XIV to this document, and the first tranche at US \$3,000,000 plus the support costs of US \$225,000 for UNIDO;
- (c) To approve, in principle, the sector plan for phase-out of ODS process agent applications (phase II) and corresponding CTC production in China at a total level of funding of US \$46.5 million plus support costs of US \$3,487,500 for the World Bank, with the following provisos:
 - (i) That approval was without prejudice to determination by the Parties of maximum residual levels of emissions for process agent applications by Article 5 Parties;
 - (ii) That China would reduce the residual emissions from the process agent applications for production of chlorinated polypropylene (CP) and chlorinated ethylene-vinyl acetate (CEVA) addressed in the phase II CTC sector plans to levels that might be agreed in future by the Parties, without requesting additional assistance from the Multilateral Fund;
 - (iii) That the issue of the reduction of residue emissions from process agent applications from the production of chlorosulphonated polyoefin (CSM) addressed in the phase I CTC sector plan should be considered in finalizing the agreement of the phase II sector plan;
 - (iv) If, during implementation of the phase II CTC sector plan, or at any time thereafter, China discovered applications, tonnes of CTC and/or uses (including new process agent categories) of CTC not otherwise explicitly covered in the phase II CTC phase-out sector plan, China committed to phase them out in a manner consistent with the phase-out schedule included in the agreement (to be submitted to the 48th Meeting) at no additional cost to the Multilateral Fund;
 - (v) China would report to the Ozone Secretariat any CTC applications additional to those addressed by this project as soon as they became known to the Government of China; and
 - (vi) Disposal of CTC by China would be undertaken in accordance with standards cited in applicable international conventions;
- (d) To approve funding of US\$ 15 million plus support costs of US\$ 1.125 million for the World Bank for the first tranche of the project;
- (e) To note that the proposed funding of the second and subsequent tranches would be worked out between the Secretariat and the World Bank and reflected in the draft agreement to be submitted to the 48th Meeting; and

- (f) To request the World Bank to submit a final draft agreement for the project to the 48th Meeting, together with an annual implementation plan for 2006.

(Decision 47/54)

AGENDA ITEM 18: REPORT OF THE EXECUTIVE COMMITTEE TO THE SEVENTEENTH MEETING OF THE PARTIES

210. The Chair introduced the draft report of the Executive Committee to the Seventeenth Meeting of the Parties (UNEP/OzL.Pro/ExCom/47/60), which was based on the deliberations of the 44th, 45th, and 46th Meetings of the Executive Committee. He said that the draft would have to be amended to incorporate the results of the 47th Meeting of the Executive Committee and that he and the vice-chair would examine the final report before its transmission to the Seventeenth Meeting of the Parties.

211. The representative of Japan suggested the inclusion of a reference to paragraph 7 of decision IV/11 in the report to the Meeting of the Parties.

212. Having considered the draft report, the Executive Committee decided to authorize the Secretariat to finalize the report in the light of the suggestion of the representative of Japan, the discussions held and decisions taken at the 47th Meeting of the Executive Committee.

(Decision 47/55)

AGENDA ITEM 19: OTHER MATTERS

Request of Cuba for change in implementing agency

213. The representative of Cuba introduced his country's request to transfer the projects assigned to Germany and France under its national CFC phase-out plan to UNDP, and its request to appoint UNDP as the Lead Agency for the implementation of its national CFC phase-out plan.

214. One representative asked the Secretariat to clarify the rules and procedures for submitting requests to change agreements. The Secretariat informed the Meeting that a complete proposal should be submitted to the next meeting.

215. One representative proposed that if needed, the Secretariat should inform the Implementation Committee of any difficulties that Cuba may have experienced in complying with its obligations under the Montreal Protocol that have resulted from the unavoidable delay in the consideration of its proposal by the Executive Committee.

216. Following a discussion, the Executive Committee decided to request the Government of Cuba to resubmit its proposal to the Secretariat for subsequent consideration at the 48th Meeting of the Executive Committee.

(Decision 47/56)

Dates and venues of the 48th and 49th Meeting of the Executive Committee

217. The Chief Officer confirmed the dates of the 48th Meeting, which would be held in Montreal from 3-7 April 2006. She also gave tentative dates for the 49th Meeting (10-14 July 2006) on the understanding that the Open-Ended Working Group of Parties to the Montreal Protocol would be held in Montreal during the preceding week (3-7 July 2006).

AGENDA ITEM 20: ADOPTION OF THE REPORT

218. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/47/L.1.

AGENDA ITEM 21: CLOSURE OF THE MEETING

219. The Chair declared the meeting closed at 4:30 p.m. on Friday, 25 November 2005.

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

Table 1 : STATUS OF THE FUND FROM 1991-2005 (IN US DOLLARS)

As at 18 November 2005

INCOME	
Contributions received:	
- Cash payments including note encashments	1.684.005.547
- Promissory notes held	83.582.218
- Bilateral cooperation	98.869.940
- Interest earned	144.116.331
- Miscellaneous income	6.584.878
Total Income	2.017.158.914
ALLOCATIONS* AND PROVISIONS	
- UNDP	485.662.631
- UNEP	98.549.799
- UNIDO	412.167.407
- World Bank	760.393.190
Less Adjustments	-
Total allocations to implementing agencies	1.756.773.027
Secretariat and Executive Committee costs (1991-2007)	
- includes provision for staff contracts into 2007	49.469.950
Treasury fees (2003-2005)	1.050.550
Monitoring and Evaluation costs (1999-2005)	1.833.754
Technical Audit costs (1998-2005)	909.960
Information Strategy costs (2003-2004)	
- includes provision for Network maintenance costs for 2004	104.750
Bilateral cooperation	98.869.940
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	(7.795.878)
Total allocations and provisions	1.901.216.053
BALANCE AVAILABLE FOR NEW ALLOCATIONS	115.942.860

* Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the Implementing agencies. It reflects the Secretariat's inventory figures on the net approved amounts. These figures are under review in the on-going reconciliation exercise.

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

Table 2 : 1991 - 2005 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 18 November 2005

Description	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991 - 2005
Pledged contributions	234.929.241	424.841.347	472.567.009	440.000.001	1.572.337.598	158.000.001	158.000.000	158.000.000	2.046.337.600
Cash payments/received	205.992.884	381.375.628	407.447.403	406.430.280	1.401.246.195	125.693.603	97.015.306	60.050.442	1.684.005.547
Bilateral assistance	4.366.255	12.089.441	22.035.587	22.683.491	61.174.774	7.143.872	20.177.312	10.373.983	98.869.940
Promissory notes	0	0	0	0	0	23.723.977	34.246.034	25.612.207	83.582.218
Total payments	210.359.139	393.465.069	429.482.990	429.113.771	1.462.420.969	156.561.452	151.438.652	96.036.631	1.866.457.705
Disputed contributions	0	8.098.267	0	0	8.098.267	0	0		8.098.267
Outstanding pledges	24.570.102	31.376.278	43.084.019	10.886.230	109.916.629	1.438.549	6.561.349	61.963.369	179.879.895
Payments %age to pledges	89,54%	92,61%	90,88%	97,53%	93,01%	99,09%	95,85%	60,78%	91,21%
Interest earned	5.323.644	28.525.733	44.685.516	53.946.601	132.481.494	7.227.409	4.407.428	0	144.116.331
Miscellaneous income	1.442.103	1.297.366	1.223.598	1.125.282	5.088.349	347.600	457.931	690.998	6.584.878
TOTAL INCOME	217.124.886	423.288.168	475.392.104	484.185.654	1.599.990.812	164.136.461	156.304.011	96.727.629	2.017.158.914

Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991-2005
Total pledges	234.929.241	424.841.347	472.567.009	440.000.001	1.572.337.598	158.000.001	158.000.000	158.000.000	2.046.337.600
Total payments	210.359.139	393.465.069	429.482.990	429.113.771	1.462.420.969	156.561.452	151.438.652	96.036.631	1.866.457.705
Payments %age to pledges	89,54%	92,61%	90,88%	97,53%	93,01%	99,09%	95,85%	60,78%	91,21%
Total income	217.124.886	423.288.168	475.392.104	484.185.654	1.599.990.812	164.136.461	156.304.011	96.727.629	2.017.158.914
Total outstanding contributions	24.570.102	31.376.278	43.084.019	10.886.230	109.916.629	1.438.549	6.561.349	61.963.369	179.879.895
As % to total pledges	10,46%	7,39%	9,12%	2,47%	6,99%	0,91%	4,15%	39,22%	8,79%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24.570.102	31.376.278	32.989.397	9.811.798	98.747.575	2.491.827	2.507.197	3.125.830	103.746.599
CEITs' outstandings %age to pledges	10,46%	7,39%	6,98%	2,23%	6,28%	1,58%	1,59%	1,98%	5,07%

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 : 1991-2005 Summary Status of Contributions

As at 18 November 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	37.227.395	35.808.300	1.349.795	0	69.299	798.797
Austria	21.207.361	21.075.571	131.790	0	0	-1.010.742
Azerbaijan	844.490	130.000	0	0	714.490	0
Belarus	2.570.292	0	0	0	2.570.292	0
Belgium	26.243.465	24.057.114	0	0	2.186.351	738.724
Bulgaria	1.067.607	1.067.607	0	0	0	0
Canada*	70.753.197	59.361.901	7.614.282	3.963.867	-186.853	-173.641
Cyprus	148.670	148.670	0	0	0	0
Czech Republic	5.781.368	5.715.278	66.090	0	0	39.515
Denmark	17.178.466	16.973.466	205.000	0	0	-1.043.060
Estonia	133.009	133.008	0	0	0	0
Finland	13.733.683	13.177.886	451.870	0	103.927	-679.514
France	154.337.191	103.905.120	13.488.574	22.268.387	14.675.110	-5.679.396
Germany	228.288.101	169.278.062	32.329.865	26.480.215	199.958	-9.191
Greece	9.926.439	6.847.138	0	0	3.079.301	-77.889
Hungary	3.493.043	3.446.549	46.494	0	0	0
Iceland	757.434	757.434	0	0	0	-30.089
Ireland	5.493.626	5.493.625	0	0	0	208.838
Israel	7.192.078	3.724.671	38.106	0	3.429.301	0
Italy	119.405.796	108.197.753	9.794.489	0	1.413.554	3.291.976
Japan	388.280.945	370.755.977	11.852.712	0	5.672.256	0
Kuwait	286.549	286.549	0	0	0	0
Latvia	317.365	317.364	0	0	0	0
Liechtenstein	200.213	200.213	0	0	0	0
Lithuania	467.839	14.975	0	0	452.864	0
Luxembourg	1.688.202	1.688.202	0	0	0	-106.272
Malta	28.052	28.052	0	0	0	0
Monaco	158.067	158.067	0	0	0	0
Netherlands	39.465.288	36.101.227	0	3.364.061	0	0
New Zealand	5.762.570	5.762.569	0	0	0	68.428
Norway	14.346.979	14.346.979	0	0	0	172.322
Panama	16.915	16.915	0	0	0	0
Poland	5.214.105	4.488.235	113.000	0	612.870	0
Portugal	8.005.409	5.319.539	0	0	2.685.870	198.162
Russian Federation	93.732.102	0	0	0	93.732.102	0
Singapore	531.221	459.245	71.976	0	0	0
Slovak Republic	1.854.952	1.838.429	16.523	0	0	0
Slovenia	528.147	528.147	0	0	0	0
South Africa	3.793.691	3.763.691	30.000	0	0	0
Spain	57.198.685	55.607.003	1.451.682	0	140.000	0
Sweden	27.450.190	25.314.590	1.943.843	0	191.757	-691.536
Switzerland	29.234.158	28.117.500	1.116.658	0	0	-1.349.839
Tajikistan	96.635	5.333	0	0	91.302	0
Turkmenistan***	293.245	5.764	0	0	287.481	0
Ukraine	8.803.657	785.600	0	0	8.018.057	0
United Arab Emirate	559.639	559.639	0	0	0	0
United Kingdom	127.126.926	106.911.339	565.000	19.650.588	0	-2.461.470
United States of America	504.531.570	441.136.646	16.192.191	7.855.100	39.347.633	0
Uzbekistan	581.574	188.606	0	0	392.968	0
SUB-TOTAL	2.046.337.600	1.684.005.547	98.869.940	83.582.218	179.879.895	-7.795.878
Disputed Contributions (**)	8.098.267	0	0	0	8.098.267	
TOTAL	2.054.435.867	1.684.005.547	98.869.940	83.582.218	187.978.162	

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.

(***) In accordance with Decisions V/15 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 i 2004 and therefore its contribution of US\$5,764 for 2005 should be disregarded.

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

Table 4 : Status of Contributions for 2005

As at 18 November 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3.150.806	3.150.806			0
Austria	1.832.847	1.832.847			0
Azerbaijan	7.685				7.685
Belarus	36.503				36.503
Belgium	2.186.352				2.186.352
Bulgaria	24.976	24.976			0
Canada	4.954.834	1.107.760	70.060	3.963.867	(186.853)
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	1.010.563			0
France	12.518.689		2.593.696		9.924.993
Germany	18.914.440		3.530.300	7.565.776	7.818.364
Greece	1.043.224				1.043.224
Hungary	232.468	232.468			0
Iceland	63.400	63.400			0
Ireland	570.603	570.603			0
Israel	803.071				803.071
Italy	9.805.922	7.844.737	547.631		1.413.554
Japan	34.760.000	31.941.693	2.818.307		0
Latvia	19.212	19.212			0
Liechtenstein	11.527	11.527			0
Lithuania	32.661				32.661
Luxembourg	153.698	153.698			0
Monaco	7.685	7.685			0
Netherlands	3.364.061			3.364.061	0
New Zealand	466.857	466.857			0
Norway	1.252.637	1.252.637			0
Poland	612.870				612.870
Portugal	895.290				895.290
Russian Federation	2.305.467				2.305.467
Slovak Republic	82.613	82.613			0
Slovenia	155.619	155.619			0
Spain	4.877.985	4.082.144	655.841		140.000
Sweden	1.988.466	1.790.773	158.148		39.545
Switzerland	2.447.638	2.447.638			(0)
Tajikistan	1.921				1.921
Turkmenistan	5.764				5.764
Ukraine	101.825				101.825
United Kingdom	10.718.503			10.718.503	0
United States of America	34.760.000				34.760.000
Uzbekistan	21.133				21.133
TOTAL	158.000.000	60.050.442	10.373.983	25.612.207	61.963.369

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

Table 5 : Status of Contributions for 2004

As at 18 November 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3.150.806	3.150.806			(0)
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	4.667.509	287.325	0	(0)
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	1.010.563			0
France	12.518.689	0	2.302.683	9.784.323	431.683
Germany	18.914.440	6.304.813	3.801.533	12.609.626	(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				803.071
Italy*	9.805.922	7.844.737	1.961.185		0
Japan	34.760.000	30.098.098	4.661.902		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		0	0
New Zealand	466.857	466.857			0
Norway	1.252.637	1.252.637			0
Poland	612.870	612.870			0
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	4.082.144	795.841		(0)
Sweden	1.988.466	1.590.768	302.915		94.783
Switzerland	2.447.638	1.758.710	688.928		0
Tajikistan	1.921	0			1.921
Turkmenistan	5.764	5.764			0
Ukraine	101.825	0			101.825
United Kingdom	10.718.503	1.786.417		8.932.086	0
United States of America	34.760.000	21.877.367	5.375.000	2.920.000	4.587.633
Uzbekistan	21.133	0			21.133
TOTAL	158.000.000	97.015.306	20.177.312	34.246.034	6.561.349

* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005.

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

Table 6 : Status of Contributions for 2003

As at 18 November 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3.150.806	3.101.099	49.707	0	(0)
Austria	1.832.847	1.832.847	0	0	0
Azerbaijan	7.685	0	0	0	7.685
Belarus	36.503		0	0	36.503
Belgium	2.186.352	2.186.352	0	0	(0)
Bulgaria	24.976	24.976	0	0	0
Canada	4.954.834	4.146.375	808.459	0	(0)
Czech Republic	330.450	264.360	66.090	0	0
Denmark	1.450.523	1.450.523	0	0	0
Estonia	19.212	19.212	0	0	0
Finland	1.010.563	1.010.563	0		0
France	12.518.689	0	0	12.484.064	34.625
Germany	18.914.440	12.609.627	3.816.872	6.304.813	(3.816.872)
Greece	1.043.224		0	0	1.043.224
Hungary	232.468	185.974	46.494	0	0
Iceland	63.400	63.400	0	0	0
Ireland	570.603	570.603	0	0	0
Israel	803.071	70.024	0	0	733.047
Italy*	9.805.922	7.844.737	1.961.185	0	0
Japan	34.760.000	34.721.722	38.278	0	0
Latvia	19.212	19.212	0	0	0
Liechtenstein	11.527	11.527	0	0	0
Lithuania	32.661	0	0	0	32.661
Luxembourg	153.698	153.698	0	0	0
Monaco	7.685	7.705	0	0	(20)
Netherlands	3.364.061	3.364.061	0	0	0
New Zealand	466.857	466.857	0	0	0
Norway	1.252.637	1.252.637	0	0	0
Poland	612.870	612.870	0	0	0
Portugal	895.290	0	0	0	895.290
Russian Federation	2.305.467	0	0	0	2.305.467
Slovak Republic	82.613	66.090	16.523	0	0
Slovenia	155.619	155.619	0	0	0
Spain	4.877.985	4.877.985	0	0	0
Sweden	1.988.466	1.590.773	340.264		57.429
Switzerland	2.447.638	2.447.638	0	0	0
Tajikistan	1.921	0	0	0	1.921
Turkmenistan	5.764	0	0	0	5.764
Ukraine	101.825	0	0	0	101.825
United Kingdom	10.718.503	10.718.503	0	0	(0)
United States of America	34.760.000	29.824.900	0	4.935.100	0
Uzbekistan	21.133	21.133	0	0	0
TOTAL	158.000.001	125.693.603	7.143.872	23.723.977	1.438.549

* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005

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

Table 7 : 2003 - 2005 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

As at 18 November 2005

Description	2003	2004	2005	2003 - 2005
Pledged contributions	158.000.000	158.000.000	158.000.000	474.000.000
Cash payments/received	122.693.603	95.015.306	60.050.442	277.759.351
Bilateral assistance	7.143.872	20.177.312	10.373.983	37.695.167
Promissory notes	26.723.977	36.246.034	25.612.207	88.582.218
Total payments	156.561.452	151.438.652	96.036.632	404.036.736
Disputed contributions	0	0	0	0
Outstanding pledges	1.438.548	6.561.348	61.963.368	69.963.264
Payments %age to pledges	99,09%	95,85%	60,78%	85,24%
Interest earned	7.227.409	4.407.428	0	11.634.837
Miscellaneous income	347.600	457.931	690.998	1.496.529
TOTAL INCOME	164.136.461	156.304.011	96.727.630	417.168.102

Accumulated figures	2003	2004	2005	2003-2005
Total pledges	158.000.000	158.000.000	158.000.000	474.000.000
Total payments	156.561.452	151.438.652	96.036.632	404.036.736
Payments %age to pledges	99,09%	95,85%	60,78%	85,24%
Total income	164.136.461	156.304.011	96.727.630	417.168.102
Total outstanding contributions	1.438.548	6.561.348	61.963.368	69.963.264
As % to total pledges	0,91%	4,15%	39,22%	14,76%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	2.491.827	2.507.197	3.125.830	8.124.854
CEITs' outstandings %age to pledges	1,58%	1,59%	1,98%	1,71%

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 8 : 2003-2005 Summary Status of Contributions

As at 18 November 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia*	9.452.418	9.402.711	49.707		0
Austria	5.498.541	5.498.541			0
Azerbaijan	23.055				23.055
Belarus	109.509				109.509
Belgium	6.559.056	4.372.704			2.186.352
Bulgaria	74.928	74.928			0
Canada*	14.864.502	9.921.644	1.165.844	3.963.867	(186.853)
Czech Republic	991.350	925.260	66.090		0
Denmark	4.351.569	4.351.569			0
Estonia	57.636	57.636			0
Finland	3.031.689	3.031.689			0
France	37.556.067		4.896.379	22.268.387	10.391.301
Germany	56.743.320	18.914.440	11.148.707	26.480.215	199.958
Greece	3.129.672				3.129.672
Hungary	697.404	650.910	46.494		0
Iceland	190.200	190.200			0
Ireland	1.711.809	1.711.809			0
Israel	2.409.213	70.024			2.339.189
Italy	29.417.766	23.534.211	4.470.001		1.413.554
Japan	104.280.000	96.761.513	7.518.487		0
Latvia	57.636	57.636			0
Liechtenstein	34.581	34.581			0
Lithuania	97.983				97.983
Luxembourg	461.094	461.094			0
Monaco	23.055	23.075			(20)
Netherlands	10.092.183	6.728.124		3.364.059	0
New Zealand	1.400.571	1.400.571			0
Norway	3.757.911	3.757.911			0
Poland	1.838.610	1.225.740			612.870
Portugal	2.685.870				2.685.870
Russian Federation	6.916.401				6.916.401
Slovak Republic	247.839	231.316	16.523		0
Slovenia	466.857	466.857			0
Spain	14.633.955	13.042.273	1.451.682		140.000
Sweden	5.965.398	4.972.314	801.325		191.759
Switzerland	7.342.914	6.653.986	688.928		0
Tajikistan	5.763				5.763
Turkmenistan***	17.292	5.764			11.528
Ukraine	305.475				305.475
United Kingdom	32.155.509	12.504.920		19.650.589	0
United States of America	104.280.000	51.702.267	5.375.000	7.855.100	39.347.633
Uzbekistan	63.399	21.133			42.266
SUB-TOTAL	474.000.000	282.759.351	37.695.167	83.582.217	69.963.265
Disputed Contributions (**)					0
TOTAL	474.000.000	282.759.351	37.695.167	83.582.217	69.963.265

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.

(***) In accordance with Decisions V/15 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 2004 and therefore its contribution of US\$5,764 for 2005 should be disregarded.

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

Table 9: Status of promissory notesAs at 18 November 2005
in USD

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada		3.963.867	3.963.867					3.963.867	3.963.867
France		3.488.573	3.488.573			18.779.814		3.488.573	22.268.387
Germany		26.480.215	26.480.215					26.480.215	26.480.215
The Netherlands		3.364.061	3.364.061					3.364.061	3.364.061
United Kingdom		19.650.588	19.650.588					19.650.588	19.650.588
United States of America		1.551.357	1.551.357	6.303.743				1.551.357	7.855.100
TOTAL		58.498.661	58.498.661	6.303.743	0	18.779.814	0	58.498.661	83.582.218

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

Table 10: 2004-2005 Ledger of Multilateral Fund Promissory Notes

As at 18 November 2005

in USD

RECEIPTS							ENCASHMENTS					
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP b/	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)
10/25/2004	2004	Canada		Can\$	6.216.532,80	3.963.867,12	11/9/2004	IBRD	6.216.532,80	1/19/2005	5.140.136,76	1.176.269,64
4/21/2005	2005	Canada		Can\$	6.216.532,78	3.963.867,12						-
12/31/2004	2004	France		Euro	10.597.399,70	9.784.322,50						-
8/9/2004	2004	Germany	BU 104 1006 01	US\$	18.914.439,57	18.914.439,57	8/3/2005	TREASURER	6.304.813,19	8/3/2005	6.304.813,19	-
							BALANCE	TREASURER	12.609.626,38			-
									18.914.439,57			-
7/8/2005	2005	Germany	BU 105 1003 01	US\$	7.565.775,83	7.565.775,83						
12/8/2003	2004	Netherlands	D 11	US\$	3.364.061,32	3.364.061,32	11/17/2004	TREASURER	3.364.061,32	11/17/2004	3.364.061,32	-
12/8/2003	2005	Netherlands	D 11	US\$	3.364.061,32	3.364.061,32						-
5/18/2004	2004	UK		GBP	7.243.564,08	10.718.502,63	8/23/2005	TREASURER	1.207.260,68	8/23/2005	2.166.550,02	380.132,91
							BALANCE	TREASURER	6.036.303,40			
									7.243.564,08			
6/1/2005	2005	UK		GBP	7.243.564,08	10.718.502,63						
5/13/2005	2004	USA		US\$	4.920.000,00	4.920.000,00	10/27/2005	TREASURER	2.000.000,00	10/27/2005	2.000.000,00	-
							BALANCE	TREASURER	2.920.000,00			
									4.920.000,00			

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
AFGHANISTAN						
PHASE-OUT PLAN						
ODS phase out plan						
National phase-out plan (1st tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$305,000	\$39,650	\$344,650	
National phase-out plan (1st tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	Germany	28.0	\$118,438	\$15,397	\$133,835	5.93
SEVERAL						
Ozone unit support						
Establishment of national ozone unit for implementing the phase-out of ODS (institutional strengthening)	UNEP		\$150,000		\$150,000	
Total for Afghanistan		28.0	\$573,438	\$55,047	\$628,485	
ARGENTINA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 work programme <i>Approved the revised agreement between the Government and the Executive Committee including the World Bank as a co-operating implementing agency for a chiller component, as proposed by the Government.</i>	UNIDO	98.5	\$1,850,000	\$138,750	\$1,988,750	5.60
National CFC phase-out plan: 2006 work programme <i>Approved the revised agreement between the Government and the Executive Committee including the World Bank as a co-operating implementing agency for a chiller component, as proposed by the Government.</i>	IBRD	1.5	\$500,000	\$37,500	\$537,500	5.60
Total for Argentina		100.0	\$2,350,000	\$176,250	\$2,526,250	
BAHRAIN						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IV)	UNEP		\$60,000		\$60,000	
Total for Bahrain			\$60,000		\$60,000	
BOLIVIA						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for the terminal phase-out management plan	Canada		\$30,000	\$3,900	\$33,900	
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V)	UNEP		\$78,867		\$78,867	
Total for Bolivia			\$108,867	\$3,900	\$112,767	

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
BRAZIL						
REFRIGERATION						
Chiller						
Demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	UNDP		\$1,000,000	\$75,000	\$1,075,000	
<i>Approved funding, with external resources of US\$252,000, to replace at least 12 chillers in the country (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i>						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: fourth tranche	UNDP	743.0	\$2,856,400	\$242,276	\$3,098,676	4.60
	Total for Brazil	743.0	\$3,856,400	\$317,276	\$4,173,676	
BURKINA FASO						
PHASE-OUT PLAN						
CFC phase out plan						
Project preparation for the terminal phase-out management plan	Canada		\$10,000	\$1,300	\$11,300	
Preparation of project proposal						
Project preparation request for TPMP	UNEP		\$20,000	\$2,600	\$22,600	
	Total for Burkina Faso		\$30,000	\$3,900	\$33,900	
BURUNDI						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation of a terminal phase-out management plan	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Burundi		\$30,000	\$2,250	\$32,250	
CAMBODIA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project: phase III	UNEP		\$112,667		\$112,667	

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Total for Cambodia			\$112,667		\$112,667	
CAMEROON						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project: phase V	UNEP		\$139,532		\$139,532	
Total for Cameroon			\$139,532		\$139,532	
CHILE						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening (phase VI, year 2)	IBRD	7.7	\$93,275	\$6,996	\$100,271	21.10
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
Total for Chile			7.7	\$93,275	\$6,996	\$100,271
CHINA						
FOAM						
Sectoral phase out plan						
Sector plan for phase-out of CFC-11 in the China foam sector: 2006 annual programme	IBRD	600.0	\$3,320,000	\$282,800	\$3,602,800	
HALON						
Sectoral phase out plan						
Sector plan for halon phase-out in China: 2006 annual programme	IBRD	6,170.0	\$11,400,000	\$855,000	\$12,255,000	
<i>The Government of China and the World Bank were requested to consider a cumulative audit of the halon plan as part of the 2006 work programme. The Government was encouraged to limit its production of halon-1301 for the purpose of feedstock to the levels allowed under the agreement to avoid any future unintentional consumption that would be in violation of the agreement with the Executive Committee and to seek to use more effective non-ODS alternatives if possible.</i>						
<i>An additional 10,470 ODP tonnes of halon-1211 and halon 13-01 would be phased-out in the production sector.</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	
PROCESS AGENT					
Process conversion					
Sector plan for phase-out of ODS process agent applications (phase II) and corresponding CTC production (first tranche)	IBRD		\$15,000,000	\$1,125,000	\$16,125,000
<p><i>Approved in principle, the sector plan at a total level of funding of US\$46.5 million plus support costs of US\$3,487,500 for the World Bank, with the following provisos: that approval was without prejudice to determination by the Parties of maximum residual levels of emissions for process agent applications by Article 5 Parties; that China would reduce the residual emissions from the process agent applications for production of chlorinated polypropylene and chlorinated ethylene-vinyl acetate addressed in the phase II CTC sector plans to levels that might be agreed in future by the Parties, without requesting additional assistance from the Fund; that the issue of the reduction of residue emissions from process agent applications from the production of chlorosulphonated polyoefin addressed in the phase I CTC sector plan should be considered in finalizing the agreement of the phase II sector plan; if, during implementation of the phase II CTC sector plan, or at any time thereafter, China discovered applications, tonnes of CTC and/or uses (including new process agent categories) of CTC not otherwise explicitly covered in the phase II CTC phase-out sector plan, China committed to phase them out in a manner consistent with the phase-out schedule included in the Agreement (to be submitted to the 48th Meeting) at no additional cost to the Multilateral Fund; China would report to the Ozone Secretariat any CTC applications additional to those addressed by this project as soon as they became known to the Government of China; and disposal of CTC by China would be undertaken in accordance with standards cited in applicable international conventions. It was also noted that the proposed funding of the second and subsequent tranches would be worked out between the Secretariat and the World Bank and reflected in the draft Agreement to be submitted to the 48th Meeting. The World Bank was requested to submit a final draft agreement for the project to the 48th Meeting, together with an annual implementation plan for 2006.</i></p>					
PRODUCTION					
MB closure					
Sector plan for methyl bromide production sector (first tranche)	UNIDO		\$3,000,000	\$225,000	\$3,225,000
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i> <i>231 ODP tonnes of methyl bromide would be phased-out in the production sector.</i></p>					
ODS closure					
CFCs, CTC and halon accelerated phase-out-plan	USA		\$5,000,000	\$375,000	\$5,375,000
<p><i>The Government and the World Bank were encouraged to monitor halon-1301 production as a feedstock, allowing only levels that will be totally consumed as a feedstock in the year of production to avoid the risk of potential non-compliance if the produced halon is not consumed.</i></p>					
REFRIGERATION					
Sectoral phase out plan					
Refrigeration servicing sector CFC phase-out plan: second tranche	Japan	511.0	\$3,000,000	\$390,000	\$3,390,000

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLVENT						
Multiple solvents						
ODS phase-out in China solvent sector: 2006 annual programme	UNDP	85.0	\$5,055,000	\$379,125	\$5,434,125	
	Total for China	7,366.0	\$45,775,000	\$3,631,925	\$49,406,925	
COLOMBIA						
PROCESS AGENT						
CTC phase out						
Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.	IBRD	2.0	\$114,480	\$10,303	\$124,783	
<i>Approved on the condition that the enterprise would have flexibility regarding the choice of the technologies presented in the project document. The World Bank was requested to examine the technologies and sector plans relevant to the phase-out of CTC in the production of chlorine with a view to identifying more cost-effective alternatives and to report to a future meeting.</i>						
REFRIGERATION						
Chiller						
Demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	UNDP		\$1,000,000	\$75,000	\$1,075,000	
<i>Approved funding, with external resources of US\$705,000, to replace at least 13 chillers in the country (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i>						
PHASE-OUT PLAN						
ODS phase out plan						
National phase-out plan for Annex A (Group I and II) substances: second implementation programme	UNDP	723.9	\$2,353,180	\$176,488	\$2,529,668	5.58
	Total for Colombia	725.9	\$3,467,660	\$261,791	\$3,729,451	
COMOROS						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation for a TPMP	UNEP		\$30,000	\$3,900	\$33,900	
	Total for Comoros		\$30,000	\$3,900	\$33,900	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
COSTA RICA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase VI)	UNDP		\$140,513	\$10,538	\$151,051
Total for Costa Rica			\$140,513	\$10,538	\$151,051
CROATIA					
SEVERAL					
Ozone unit support					
Extension of institutional strengthening project (phase V)	UNEP		\$87,707		\$87,707
Total for Croatia			\$87,707		\$87,707
CUBA					
REFRIGERATION					
Chiller					
Demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	Canada		\$196,871	\$25,593	\$222,464
<p><i>Approved funding, with external resources of US\$410,125, to replace at least 7 chillers in the country and to convert a further 5 chillers (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i></p>					

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
Demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	UNDP		\$787,482	\$59,061	\$846,543
<i>Approved funding, with external resources of US\$410,125, to replace at least 7 chillers in the country and to convert a further 5 chillers (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i>					
SEVERAL					
Ozone unit support					
Extension of the institutional strengthening project (phase V)	UNDP		\$149,066	\$11,180	\$160,246
Total for Cuba			\$1,133,419	\$95,834	\$1,229,253
ERITREA					
REFRIGERATION					
Preparation of project proposal					
Project preparation of the investment components of the RMP	UNDP		\$20,000	\$1,500	\$21,500
SEVERAL					
Ozone unit support					
Institutional strengthening project (start-up cost)	UNEP		\$40,000		\$40,000
Project preparation/supervision					
Country programme/RMP project preparation	UNEP		\$40,000	\$5,200	\$45,200
Total for Eritrea			\$100,000	\$6,700	\$106,700
FIJI					
FUMIGANT					
Methyl bromide					
Technical assistance project to install alternatives, achieve compliance and phase-out methyl bromide	UNEP		\$65,000	\$8,450	\$73,450
<i>Approved on the understanding that the Government would not seek additional funding from the Fund for the phase-out of controlled uses of methyl bromide and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>					

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Technical assistance/support						
Technical assistance project to install alternatives, achieve compliance and phase-out methyl bromide	UNDP	2.1	\$50,000	\$4,500	\$54,500	
<i>Approved on the understanding that the Government would not seek additional funding from the Fund for the phase-out of controlled uses of methyl bromide and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
PHASE-OUT PLAN						
CFC phase out plan						
Implementation of the TPMP (non-investment component)	UNEP		\$80,000	\$10,400	\$90,400	
<i>Approved on the understanding that the approval represents the total funding available to the Government from the Fund for the total elimination of CFC consumption in Fiji. This would be subject to disbursement being withheld pending agreement by the Secretariat to an implementation programme to be prepared and submitted by UNEP, and with the following conditions: the Committee agrees to provide Fiji with flexibility in using the agreed funds consistent with operational procedures as agreed among Fiji, UNDP and UNEP. The Government agrees to ensure accurate monitoring of the activities and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol. Annual reports will be submitted on the implementation of the activities undertaken in the previous year.</i>						
Implementation of the TPMP (investment component)	UNDP	0.5	\$40,000	\$3,600	\$43,600	
<i>Approved on the understanding that the approval represents the total funding available to the Government from the Fund for the total elimination of CFC consumption in Fiji. This would be subject to disbursement being withheld pending agreement by the Secretariat to an implementation programme to be prepared and submitted by UNEP, and with the following conditions: the Committee agrees to provide Fiji with flexibility in using the agreed funds consistent with operational procedures as agreed among Fiji, UNDP and UNEP. The Government agrees to ensure accurate monitoring of the activities and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol. Annual reports will be submitted on the implementation of the activities undertaken in the previous year.</i>						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IV-year 2)	UNEP		\$30,000		\$30,000	
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
	Total for Fiji	2.6	\$265,000	\$26,950	\$291,950	
GEORGIA						
FUMIGANT						
Methyl bromide						
Technical assistance for the elimination of methyl bromide in grain and storage facilities	UNIDO	7.2	\$225,500	\$20,295	\$245,795	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.</i>						

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HALON						
Banking						
Halon banking management programme	UNIDO	37.4	\$64,930	\$5,844	\$70,774	
PHASE-OUT PLAN						
Preparation of project proposal						
Assistance to prepare a terminal phase-out management plan	Sweden		\$30,000	\$3,900	\$33,900	
	Total for Georgia	44.6	\$320,430	\$30,039	\$350,469	
GHANA						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation of a terminal phase-out management plan	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Ghana		\$30,000	\$2,250	\$32,250	
INDIA						
REFRIGERATION						
Sectoral phase out plan						
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2006 work programme	Germany	83.0	\$105,090	\$13,662	\$118,752	
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2006 work programme	Switzerland		\$256,650	\$33,365	\$290,015	
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2006 work programme	UNEP		\$85,000	\$11,050	\$96,050	
National CFC consumption phase-out plan focusing on the refrigeration service sector: 2006 work programme	UNDP	414.0	\$1,332,377	\$112,417	\$1,444,794	
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase VI)	UNDP		\$373,230	\$27,992	\$401,222	
	Total for India	497.0	\$2,152,347	\$198,486	\$2,350,833	
INDONESIA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V)	UNDP		\$271,245	\$20,343	\$291,588	
	Total for Indonesia		\$271,245	\$20,343	\$291,588	
IRAN						
AEROSOL						
Preparation of project proposal						
Preparation of an MDI project	UNIDO		\$70,000	\$5,250	\$75,250	
<i>Approved on the understanding that approval of funding of that project preparation was an exception and should in no way set a precedent for opening agreements between the Executive Committee and a country regarding limits on further funding.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
FUMIGANT						
Methyl bromide						
Total phase-out of methyl bromide in soil fumigation in olive seedlings, fruit trees, nurseries and others <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNIDO	14.4	\$227,950	\$20,516	\$248,466	15.83
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V, year 2) <i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>	UNDP		\$86,756	\$6,507	\$93,263	
	Total for Iran	14.4	\$384,706	\$32,273	\$416,979	
JAMAICA						
FUMIGANT						
Methyl bromide						
Technical assistance to phase-out the use of methyl bromide <i>Approved on the understanding that no more funding will be provided from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.</i>	Canada	1.2	\$55,530	\$7,219	\$62,749	
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V)	UNEP		\$60,000		\$60,000	
	Total for Jamaica	1.2	\$115,530	\$7,219	\$122,749	
KOREA, DPR						
PHASE-OUT PLAN						
CFC phase out plan						
Implementation of the NPP: regulations, training programme and monitoring (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNEP		\$234,600	\$30,498	\$265,098	
Implementation of the NPP: recovery and recycling (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>	UNIDO	192.7	\$536,000	\$40,200	\$576,200	5.52
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IV)	UNEP		\$123,552		\$123,552	
	Total for Korea, DPR	192.7	\$894,152	\$70,698	\$964,850	
KUWAIT						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase II)	UNEP		\$105,320		\$105,320	
	Total for Kuwait		\$105,320		\$105,320	

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
KYRGYZSTAN						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation of a terminal phase-out management plan	UNDP		\$30,000	\$2,250	\$32,250	
Total for Kyrgyzstan			\$30,000	\$2,250	\$32,250	
LEBANON						
FUMIGANT						
Methyl bromide						
Sector phase-out of methyl bromide in vegetables, cut flowers, and tobacco production (fifth tranche)	UNDP	34.3	\$210,000	\$15,750	\$225,750	
<i>Approved the request for the change of technology and a revision to the agreement between the Government and the Executive Committee that was originally approved at the 34th Meeting.</i>						
Phase-out of methyl bromide for soil fumigation in strawberry production (fifth tranche)	UNIDO	9.0	\$42,504	\$3,188	\$45,692	
Total for Lebanon			43.3	\$252,504	\$18,938	\$271,442
LIBYA						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others	UNIDO	56.0	\$743,000	\$55,725	\$798,725	12.95
<i>Approved in accordance with the Agreement between the Government and the Executive Committee, and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
HALON						
Banking						
Plan for the phase-out of import and net consumption of halons in the fire fighting sector	UNIDO	653.9	\$343,500	\$25,763	\$369,263	0.52
<i>Approved with the understanding that no funds will be disbursed until UNIDO has completed a plan to ensure the sustainability of the project utilizing remaining project preparation funds already approved.</i>						
Total for Libya			709.9	\$1,086,500	\$81,488	\$1,167,988
MADAGASCAR						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: training of customs officers and other officers to control and follow-up of ODS and its containers	UNEP		\$22,000	\$2,860	\$24,860	
Implementation of the RMP: recover and recycling component	France	7.1	\$40,500	\$5,265	\$45,765	
Implementation of the RMP: training of maintenance technicians including small craftsmen of informal sector	UNEP		\$25,000	\$3,250	\$28,250	
Total for Madagascar			7.1	\$87,500	\$11,375	\$98,875

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MALAWI						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V)	UNEP		\$66,733		\$66,733	
Total for Malawi			\$66,733		\$66,733	
MALAYSIA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2005 annual programme	IBRD	470.8	\$1,208,300	\$100,747	\$1,309,047	
<i>The World Bank was requested to include data on approved funding from the Multilateral Fund in the financial performance report, as has been done in the Thailand national phase-out plan.</i>						
Total for Malaysia			470.8	\$1,208,300	\$100,747	\$1,309,047
MEXICO						
PRODUCTION						
CFC closure						
Sector plan for phasing out CFC-11 and CFC-12 production sector (fourth tranche)	UNIDO		\$11,850,000	\$888,750	\$12,738,750	
<i>Approved on the understanding that the Fund Secretariat would instruct the Treasurer to transfer the funds as soon as they became available. The Government and UNIDO were requested to continue monitoring the CFC production closure at Quimobásicos between 2006 and 2009, as proposed in the 2006 annual work programme.</i>						
Total for Mexico			\$11,850,000	\$888,750	\$12,738,750	

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MONGOLIA						
PHASE-OUT PLAN						
ODS phase out plan						
Terminal phase-out management plan: first tranche	Japan	0.7	\$150,000	\$19,500	\$169,500	
<i>Approved in principle the TPMP at a total cost of US\$205,000 plus support cost of US \$26,650 for the Government of Japan, as the total funding available to the Government from the Fund for the total elimination of CFC in Mongolia. The Government commits to the phased reduction and complete phase-out in the consumption of CFCs used in Mongolia, according to the following phase-out schedule: from 3.3 ODP tonnes in 2006, to 1.5 ODP tonnes in 2007, to 1.0 ODP tonnes in 2008, to 0.8 ODP tonnes in 2009, to zero consumption in 2010. A final tranche amounting to US\$55,000 plus support costs of US\$7,150 for the Government of Japan would be requested in the last meeting of the Executive Committee in 2007. The Committee agrees to provide Mongolia with flexibility in using the agreed funds consistent with operational procedures as agreed between Mongolia and the Government of Japan in the TPMP. The Government agrees to ensure accurate monitoring of the phase-out and provide regular reports by 30 September each year, as required under Article 7 of the Montreal Protocol. Annual reporting on the implementation of the activities undertaken in the previous year, as well as a thorough and comprehensive work plan for the implementation of the following year's activities, will be submitted by the Government of Japan for consideration by the Committee. The amount of funding provided may be reduced by US\$10,000 per ODP tonne of consumption reductions not achieved in a given year.</i>						
Total for Mongolia		0.7	\$150,000	\$19,500	\$169,500	
MOROCCO						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide used for soil fumigation in tomato production (third tranche)	UNIDO	39.0	\$1,670,995	\$125,325	\$1,796,320	
Total for Morocco		39.0	\$1,670,995	\$125,325	\$1,796,320	
NAMIBIA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IV)	UNEP		\$60,000		\$60,000	
Total for Namibia			\$60,000		\$60,000	
NEPAL						
SOLVENT						
CTC						
Technical assistance in CTC management	UNEP	0.9	\$40,000	\$5,200	\$45,200	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase-out of CTC.</i>						
Total for Nepal		0.9	\$40,000	\$5,200	\$45,200	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/47/61
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
NIGER						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase V)	UNEP		\$64,827		\$64,827	
	Total for Niger		\$64,827		\$64,827	
PAKISTAN						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP (institutional framework, customs empowerment, training service technicians, recovery and recycling) (third tranche)	UNIDO	80.0	\$414,300	\$31,073	\$445,373	5.30
	Total for Pakistan	80.0	\$414,300	\$31,073	\$445,373	
PANAMA						
PHASE-OUT PLAN						
CFC phase out plan						
National phase-out plan for Annex A (Group I) substances (second tranche)	UNEP		\$15,000	\$1,950	\$16,950	
National phase-out plan for Annex A (Group I) substances (second tranche)	UNDP	36.5	\$238,000	\$17,850	\$255,850	5.89
	Total for Panama	36.5	\$253,000	\$19,800	\$272,800	
PARAGUAY						
FUMIGANT						
Methyl bromide						
Technical assistance to phase-out the use of methyl bromide <i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.</i>	Spain	0.2	\$40,000	\$5,200	\$45,200	
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation of a terminal phase-out management plan	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Paraguay	0.2	\$70,000	\$7,450	\$77,450	
PHILIPPINES						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2006 annual programme	IBRD	301.0	\$2,873,197	\$248,588	\$3,121,785	
	Total for Philippines	301.0	\$2,873,197	\$248,588	\$3,121,785	

List of projects and activities approved for funding

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Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ROMANIA						
PRODUCTION						
ODS closure						
Sector plan for production sector	UNIDO		\$3,200,000	\$240,000	\$3,440,000	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee, and with the understanding that the funding would eliminate the entire CTC production capacity, including the capacity for CTC co-production. 5.0 ODP tonnes of methyl bromide would be phased-out in the production sector.</i>						
Total for Romania			\$3,200,000	\$240,000	\$3,440,000	
SAINT KITTS AND NEVIS						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000		\$60,000	
Total for Saint Kitts and Nevis			\$60,000		\$60,000	
SAINT VINCENT AND THE GRENADINES						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase out management plan for CFCs	UNDP	1.3	\$101,000	\$9,090	\$110,090	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Terminal phase out management plan for CFCs (first tranche)	UNEP		\$67,000	\$8,710	\$75,710	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Saint Vincent and the Grenadines			1.3	\$168,000	\$17,800	\$185,800
SENEGAL						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase VI)	UNEP		\$152,100		\$152,100	
Total for Senegal			\$152,100		\$152,100	
SERBIA AND MONTENEGRO						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (second tranche)	Sweden		\$134,000	\$17,420	\$151,420	
<i>Approved on the understanding that approval for a third tranche is condition to the establishment of the Project Management Unit.</i>						
National CFC phase-out plan (second tranche)	UNIDO	18.0	\$759,000	\$56,925	\$815,925	5.96
<i>Approved on the understanding that approval for a third tranche is condition to the establishment of the Project Management Unit.</i>						
Total for Serbia and Montenegro			18.0	\$893,000	\$74,345	\$967,345

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	
SIERRA LEONE						
FUMIGANT						
Technical assistance/support						
Methyl bromide communication programme	UNEP	0.4	\$50,000	\$6,500	\$56,500	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.</i>						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase II)	UNEP		\$48,445		\$48,445	
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
Total for Sierra Leone		0.4	\$98,445	\$6,500	\$104,945	
SYRIA						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide in grain fumigation (third tranche)	UNIDO	35.4	\$432,414	\$32,431	\$464,845	12.22
<i>Approved the revision to the agreement between the Government and the Executive Committee to reflect a revised phase-out schedule, on the understanding that the remaining methyl bromide consumption eligible for funding would be 8.0 ODP tonnes once the project had been completed.</i>						
REFRIGERATION						
Chiller						
Demonstration project on the replacement of CFC centrifugal chillers	UNIDO		\$585,961	\$43,947	\$629,908	
<i>Approved funding, with external resources of US\$27,195, to replace at least 3 chillers in the country and to convert a further 4 chillers (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i>						
Total for Syria		35.4	\$1,018,375	\$76,378	\$1,094,753	
TURKEY						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (third and fourth tranches)	UNIDO	147.0	\$1,408,844	\$105,663	\$1,514,507	11.67

List of projects and activities approved for funding

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
REFRIGERATION						
Sectoral phase out plan						
Total phase-out of CFCs plan: 2006 annual programme	IBRD	150.0	\$750,000	\$30,000	\$780,000	
<i>Approved subject to all future annual programme approvals being dependent on strict compliance with the established performance criteria established in the approved agreement.</i>						
Total for Turkey		297.0	\$2,158,844	\$135,663	\$2,294,507	
URUGUAY						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation of a terminal phase-out management plan	UNDP		\$30,000	\$2,250	\$32,250	
Total for Uruguay			\$30,000	\$2,250	\$32,250	
WESTERN SAMOA						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase III)	UNEP		\$60,000		\$60,000	
Total for Western Samoa			\$60,000		\$60,000	
YEMEN						
SEVERAL						
Ozone unit support						
Extension of institutional strengthening project (phase IV)	UNEP	8.6	\$104,000		\$104,000	12.10
Total for Yemen		8.6	\$104,000		\$104,000	
ZIMBABWE						
FUMIGANT						
Methyl bromide						
Total phase-out of methyl bromide used in tobacco seedlings (first tranche)	UNIDO	50.0	\$1,862,486	\$139,686	\$2,002,172	21.91
<i>Approved in accordance with the Agreement between the Government and the Executive Committee.</i>						
Total for Zimbabwe		50.0	\$1,862,486	\$139,686	\$2,002,172	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/47/61
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
REGION: EUR						
REFRIGERATION						
Chiller						
Demonstration project on the replacement of CFC centrifugal chillers (Croatia, Macedonia, Romania, and Serbia and Montenegro)	UNIDO		\$1,069,074	\$80,181	\$1,149,255	
<p><i>Approved funding, with external resources of US\$416,175, to replace at least 12 chillers in the region (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i></p>						
Total for Region: EUR			\$1,069,074	\$80,181	\$1,149,255	
REGION: LAC						
FUMIGANT						
Methyl bromide						
Policy assistance to support the methyl bromide phase-out with special focus in Guatemala and Honduras	Spain		\$80,000	\$10,400	\$90,400	
REFRIGERATION						
Chiller						
Demonstration project for integrated management of the centrifugal chiller sub-sector in the Caribbean, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers	UNDP		\$1,000,000	\$75,000	\$1,075,000	
<p><i>Approved funding, with external resources of US\$690,000, to replace at least 14 chillers in the region (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i></p>						
Total for Region: LAC			\$1,080,000	\$85,400	\$1,165,400	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/47/61
Annex II

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
GLOBAL						
REFRIGERATION						
Chiller						
Global chiller replacement project (China, India, Indonesia, Malaysia and Philippines)	IBRD		\$6,884,612	\$516,346	\$7,400,958	
<p><i>Approved under the condition that implementation of the programme would include activities in China, India, Indonesia, Jordan, Malaysia, Philippines and Tunisia, with external resources of US \$13,769,224, to replace at least 150 chillers (the external resources associated were to be used only for activities considered to be part of the project costs). Disbursement of the amounts approved was dependent upon the availability of external resources to be confirmed by the Secretariat based on the advice from the agency that external funding had been secured. The ratio between the maximum amount of Fund resources that could be disbursed and the external resources confirmed by the Secretariat should be equal to the ratio between the amount approved and the corresponding amount of associated external resources. The agency was requested to inform the Secretariat on an annual basis, in time for the last Meeting of the Committee in every year of project implementation, as well as in the year of completion, on progress in terms of implementation, main experiences and additional external resources acquired for the chiller phase-out and major market transformations observed.</i></p>						
SEVERAL						
Technical assistance/support						
Communication and cooperation support to Portuguese speaking countries	Portugal		\$90,000	\$11,700	\$101,700	
<p><i>Approved on the understanding that this would be the final funding for this type of project.</i></p>						
Agency programme						
Core unit budget (2006)	IBRD		\$0	\$1,500,000	\$1,500,000	
Core unit budget (2006)	UNDP		\$0	\$1,700,000	\$1,700,000	
Compliance Assistance Programme: 2006 budget	UNEP		\$7,770,000	\$621,600	\$8,391,600	
<p><i>Approved on the basis that UNEP would not in future seek separate funding through its business plans or work programme amendments for awareness or public information activities, including the regional awareness programme previously funded at US\$200,000 per year; UNEP would include in the annex to the CAP budget details regarding the use of all funds that support global awareness activities; requests for future increases in the CAP budget would be limited to 3 per cent, unless the Executive Committee was given evidence that inflationary pressures justify otherwise; UNEP was encouraged to continue to extend the prioritization of funding between CAP budget lines so as to accommodate changing priorities. The Secretariat was also requested to liaise with UNEP and monitor the return of unspent funds in accordance with decision 35/36(d).</i></p>						
Core unit budget (2006)	UNIDO		\$0	\$1,700,000	\$1,700,000	
Total for Global			\$14,744,612	\$6,049,646	\$20,794,258	
GRAND TOTAL		11,823.1	\$109,504,000	\$13,432,898	\$122,936,898	

Summary

UNEP/OzL.Pro/ExCom/47/61
Annex II

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant	1.4	\$175,530	\$22,819	\$198,349
Production		\$5,000,000	\$375,000	\$5,375,000
Refrigeration	601.1	\$3,599,111	\$467,885	\$4,066,996
Phase-out plan	28.7	\$472,438	\$61,417	\$533,855
Several		\$90,000	\$11,700	\$101,700
TOTAL:	631.2	\$9,337,079	\$938,821	\$10,275,900
INVESTMENT PROJECT				
Foam	600.0	\$3,320,000	\$282,800	\$3,602,800
Fumigant	392.3	\$6,888,693	\$527,029	\$7,415,722
Halon	6,861.3	\$11,808,430	\$886,607	\$12,695,037
Process agent	2.0	\$15,114,480	\$1,135,303	\$16,249,783
Production		\$18,050,000	\$1,353,750	\$19,403,750
Refrigeration	644.0	\$14,955,806	\$1,115,185	\$16,070,991
Solvent	85.0	\$5,055,000	\$379,125	\$5,434,125
Phase-out plan	2,587.6	\$14,016,677	\$1,163,222	\$15,179,899
TOTAL:	11,172.2	\$89,209,086	\$6,843,021	\$96,052,107
WORK PROGRAMME AMENDMENT				
Aerosol		\$70,000	\$5,250	\$75,250
Fumigant	2.5	\$100,000	\$11,000	\$111,000
Refrigeration		\$20,000	\$1,500	\$21,500
Solvent	0.9	\$40,000	\$5,200	\$45,200
Phase-out plan		\$200,000	\$17,750	\$217,750
Several	16.3	\$10,527,835	\$5,610,356	\$16,138,191
TOTAL:	19.7	\$10,957,835	\$5,651,056	\$16,608,891
Summary by Parties and Implementing Agencies				
Canada	1.2	\$292,401	\$38,012	\$330,413
France	7.1	\$40,500	\$5,265	\$45,765
Germany	111.0	\$223,528	\$29,059	\$252,587
Japan	511.7	\$3,150,000	\$409,500	\$3,559,500
Portugal		\$90,000	\$11,700	\$101,700
Spain	0.2	\$120,000	\$15,600	\$135,600
Sweden		\$164,000	\$21,320	\$185,320
Switzerland		\$256,650	\$33,365	\$290,015
USA		\$5,000,000	\$375,000	\$5,375,000
IBRD	7,703.0	\$42,143,864	\$4,713,280	\$46,857,144
UNDP	2,040.5	\$17,214,249	\$3,034,467	\$20,248,716
UNEP	9.9	\$10,452,350	\$761,818	\$11,214,168
UNIDO	1,438.5	\$30,356,458	\$3,984,512	\$34,340,970
GRAND TOTAL	11,823.1	\$109,504,000	\$13,432,898	\$122,936,898

**ADJUSTMENTS ARISING FROM THE 47TH MEETING OF THE EXECUTIVE
COMMITTEE FOR PROJECTS AND ACTIVITIES**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNDP (per decision 47/2(b)&(c))	579,606	74,706	654,312
UNEP (a)	537,486	132,565	670,051
UNIDO (per decision 47/2(b)&(c))	229,269	25,811	255,080
World Bank (per decision 47/2(b)&(c))	104,524	13,038	117,562
Total	1,450,885	246,120	1,697,005

(a) Amount offset against approvals at the 47th Meeting as per decision 46/2.

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL
CONTRIBUTIONS BASED ON DECISIONS OF THE 47TH MEETING OF THE
EXECUTIVE COMMITTEE**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Canada	292,401	38,012	330,413
France	40,500	5,265	45,765
Germany	223,528	29,059	252,587
Japan	3,150,000	409,500	3,559,500
Portugal	90,000	11,700	101,700
Spain	120,000	15,600	135,600
Sweden	164,000	21,320	185,320
Switzerland	256,650	33,365	290,015
UNDP	16,634,643	2,959,761	19,594,404
UNEP	9,914,864	629,253	10,544,117
UNIDO	30,127,189	3,958,701	34,085,890
USA	5,000,000	375,000	5,375,000
World Bank	42,039,340	4,700,242	46,739,582
Total	108,053,115	13,186,778	121,239,893

Annex III

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 47TH MEETING

Bahrain

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bahrain and notes with appreciation that Bahrain has reported 2004 data to the Ozone Secretariat indicating that Bahrain has completely phased out its halon consumption. The Executive Committee also notes that within the framework of the institutional strengthening project, Bahrain has taken significant steps to phase out its ODS consumption. Specifically, close cooperation in the field of customs control of ODS was maintained, ODS import and export data were collected and analysed. The approved phase-out projects were managed and monitored and specific public awareness campaigns and seminars were organised. The Executive Committee is therefore hopeful that, in the next two years, Bahrain will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Bolivia

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bolivia and notes with appreciation that Bolivia reported 2004 data to the Ozone Secretariat (on time) which showed progress towards achieving the 50 per cent CFC consumption reduction in 2005. The Executive Committee also notes that within the framework of the institutional strengthening project, Bolivia has taken significant steps to phase out its ODS consumption. Specifically, the national ODS phase-out strategy guidelines were drafted and the environmental management regulations for ODS are now in force. Two new foaming machines using CFC-free technologies were commissioned, while 230 customs officers and 265 refrigerant technicians were trained and specific awareness activities were undertaken. Three technical training institutes were equipped with new technology laboratories. The Executive Committee is therefore hopeful that, in the next two years, Bolivia will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption.

Cambodia

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Cambodia and notes with appreciation that Cambodia reported 2004 data to the Ozone Secretariat which showed that Cambodia continued to maintain the CFC consumption freeze. The Executive Committee also notes that within the framework of the institutional strengthening project Cambodia has taken significant steps to phase out its ODS consumption. Specifically, Cambodia has passed a sub-decree on ODS management and put in

place mechanisms to ensure its ability to control and monitor the import of ODS and to report accurate ODS consumption data. The Executive Committee is therefore hopeful that, in the next two years, Cambodia will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Cameroon

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Cameroon and notes with appreciation that Cameroon has reported 2004 data to the Ozone Secretariat which showed that Cameroon continued to maintain the CFC consumption freeze and reported significant reductions in its methyl bromide consumption. 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, the NOU monitored the completed refrigeration and foam projects as well as the halon bank project. The NOU also organised training programmes for customs officers and refrigeration technicians as well as for end-users of methyl bromide, and public awareness activities were undertaken. The Executive Committee is therefore hopeful that, in the next two years, Cameroon will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Costa Rica

5. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Costa Rica and notes with appreciation the progress of ODS phase-out activities in Costa Rica especially the ratification of the Montreal Amendment. The Executive Committee recognizes the important steps taken by COGO to facilitate Costa Rica's compliance with its obligations under the Montreal Protocol such as establishment of legal tools needed to ensure compliance with control targets. The Executive Committee expresses the expectation that in the next two years, Costa Rica will continue the implementation of its programmed activities with outstanding success, and sustain and build upon its current levels of reduction in CFCs as well as work towards the elimination of methyl bromide consumption.

Croatia

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Croatia and notes with appreciation that Croatia has reported 2004 data to the Ozone Secretariat, which shows considerable progress in Croatia's ODS phase-out programme, having achieved an 85 per cent reduction in CFC consumption and complete phase-out in halon consumption. The Executive Committee also notes that within the framework of the institutional strengthening project, Croatia has taken significant steps to phase out its ODS consumption. Specifically, the new by-law on improving the licensing system was drafted and submitted to the Government for approval. Three regional recovery and recycling centres have been established and demonstration equipment for 8 vocational schools was distributed. More than 900 technicians in refrigeration and air-conditioning have been trained,

while more than 600 permits have been issued to service technicians. The Executive Committee is therefore hopeful, that in the next two years, Croatia will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Cuba

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Cuba and notes with appreciation that Cuba has reported 2004 data to the Ozone Secretariat stating Cuba's baseline level of consumption of ODS. The Executive Committee also notes that within the framework of the institutional strengthening project, Cuba has taken significant steps to phase out its ODS consumption. Specifically, the continuous improvement to the regulatory framework for ozone layer protection, ratification of the Montreal and Beijing Amendments in July 2005 and completion of an updated tariff system on ODS imports based on the harmonized global system. The Executive Committee is therefore hopeful, that in the next two years, Cuba will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

India

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for India and notes with appreciation that within the framework of the institutional strengthening project, India has taken significant steps to phase out its ODS consumption. Specifically, a draft country programme update has been prepared for stakeholders' review and Government's endorsement for submission to the Executive Committee Meeting in March 2006. Reduction targets for 2003 and 2004 in the foam and refrigeration sub-sectors have been met through phase-out activities; ODS Rules were reviewed; workshops were organized in 7 state capitals to create awareness about ODS phase out. The Executive Committee is therefore hopeful, that in the next two years, India will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption.

Indonesia

9. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Indonesia and notes that Indonesia has reported CFC consumption that is below the CFC baseline for Indonesia and has completely phased out the consumption of Annex A Group II substances (halons). Nevertheless the Committee views with concern the fact that Indonesia has reported in 2004 CTC consumption which exceeds its baseline (zero) and as a consequence Indonesia could potentially be in non-compliance with its 2005 CTC control target. The Executive Committee also notes that within the framework of the institutional strengthening project, Indonesia has taken significant steps to phase out its ODS consumption. Specifically, regular meetings of the National Steering Committee and Technical Committee to involve decision-makers of related ministries and institutions were held; public awareness campaign and seminars for local government and local stakeholders were conducted.

The Executive Committee is therefore hopeful, that in the next two years, Indonesia will continue with the implementation of its national phase-out plan activities with outstanding success in the reduction of its current CFC consumption and will take the necessary steps through its national phase-out plan to ensure the elimination of CTC consumption.

Jamaica

10. The Executive Committee has reviewed the report presented with the Institutional Strengthening Project renewal request for Jamaica and notes with appreciation that Jamaica has reported 2004 data to the Ozone Secretariat showing outstanding progress in its ODS phase-out programme having almost achieved the 2007 CFC reduction target and completely phased out consumption of halon, CTC and TCA. Jamaica has also achieved 70 per cent reduction in its methyl bromide consumption. These are significant steps that Jamaica has taken within the framework of the institutional strengthening project to phase out its ODS consumption. The Executive Committee notes particularly that Jamaica has enacted the Preservation of the Ozone Layer Act and is drafting regulations and a Code of Practice for the refrigeration industry, the refrigerant management plan was reviewed and started to be implemented, and the Terminal Phase-out Management Plan was updated. Targeted training activities, public awareness programmes and an incentive programme for end users were undertaken. The Executive Committee is therefore hopeful that, in the next two years, Jamaica will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success and achieve further progress in the phase-out of its CFC consumption.

Democratic People's Republic of Korea

11. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Democratic People's Republic of Korea (D.P.R. Korea) and notes that D.P.R. Korea reported 2004 CFC consumption that is below its CFC baseline and that D.P.R. Korea moved towards achieving the 50 per cent reduction target in 2005. Nevertheless the Committee views with concern the fact that D.P.R. Korea has reported in 2004 CTC consumption which is only 15 per cent less than its baseline consumption and as a consequence D.P.R. Korea may have challenges in meeting the 85 per cent reduction target in 2005. The Executive Committee, however, notes that within the framework of the institutional strengthening project, D.P.R. Korea has taken significant steps to phase out its ODS consumption. Specifically, the existing legislation was improved and a licensing system for importation of ODS was established, as well as a licensing system for technicians. Specific training activities were carried out and, 140 refrigerant technicians and 100 customs officers were trained. Awareness raising material was distributed to the printed media and to TV channels for publication. The Executive Committee is therefore hopeful that, in the next two years, D.P.R. Korea will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption, in particular its CTC consumption.

Kuwait

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Kuwait and notes with appreciation that Kuwait has reported 2004 data to the Ozone Secretariat which shows that Kuwait has met its 2005 CFC consumption reduction level. The Executive Committee also notes that within the framework of the institutional strengthening project, Kuwait has taken significant steps to phase out its ODS consumption, and has phased out its halon consumption. Specifically training sessions for customs officers and refrigerant technicians were organised and the training programme on good practices in refrigeration continued. Data on ODS consumption was collected and processed. The national awareness of ODS was enhanced and information on new technologies and alternatives was disseminated. The Executive Committee is therefore hopeful that, in the next two years, Kuwait will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Malawi

13. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Malawi and notes with appreciation that Malawi reported 2004 data to the Ozone Secretariat which shows that Malawi is on its way to achieving the 85 per cent CFC reduction target CFC consumption having achieved an 80 per cent reduction in 2004. The Executive Committee also notes that within the framework of the institutional strengthening project, Malawi has taken significant steps to phase out its methyl bromide consumption having reduced the consumption by over 80 per cent. The enforcement of the ODS regulations was strengthened, while customs officers and refrigeration technicians were trained and a public awareness and information campaign was undertaken. The Executive Committee is therefore hopeful that, in the next two years, Malawi will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success toward complete phase-out of its ODS consumption.

Namibia

14. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Namibia and notes with appreciation that Namibia reported 2004 data to the Ozone Secretariat which shows significant progress in the phase-out of its ODS consumption having achieved 65 per cent reduction in its CFC consumption and complete phase-out of halon and methyl bromide consumption. The Executive Committee notes that Namibia has taken the significant steps within the framework of the institutional strengthening project, to phase out its ODS consumption. Specifically, the ODS regulation entered into force on 1 January 2005. With the adoption of the ODS regulation at least five cases of illegal trading were detected and a substantial reduction in ODS has been achieved. Nine refrigeration technicians and 138 customs officers were trained. Public awareness programmes were carried out and thousands of posters and booklets were distributed. The Executive Committee is therefore hopeful that, in the next two years, Namibia will continue with the

implementation of its country programme and refrigerant management plan activities with outstanding success towards complete phase-out of its current CFC consumption.

Niger

15. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Niger and notes with appreciation that Niger reported 2004 data to the Ozone Secretariat which shows that Niger continued to maintain the CFC consumption freeze. The Executive Committee notes that Niger has taken significant steps within the framework of the institutional strengthening project to phase out its CFC consumption, specifically, the related legislation and a licensing system for the control of ODS were put into place. Procedures for ratification of the Beijing Amendment were begun by the Government. Training programmes for customs officers and refrigeration technicians were also carried out. The recovery and recycling of CFC-12 and the establishment of the recovery and recycling unit with centres in Niamey, Maradi and Zinder took place. Information about ozone was published in journals and other awareness activities were conducted. The Executive Committee is hopeful, that in the next two years, Niger will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Saint Kitts and Nevis

16. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Saint Kitts and Nevis and notes that Saint Kitts and Nevis has reported 2004 data to the Ozone Secretariat which shows that Saint Kitts and Nevis maintained its freeze of CFC consumption. The Executive Committee also notes that within the framework of the institutional strengthening project, Saint Kitts and Nevis has taken significant steps to phase out its ODS consumption. Specifically, related policy and legislation, the customs training programme and the recovery and recycling project were implemented. The actions initiated to expedite phase-out of ODS were coordinated, promoted and monitored. Information on ozone layer protection issues was collected, analysed and disseminated. The Executive Committee is therefore hopeful that, in the next two years, Saint Kitts and Nevis will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Samoa

17. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Samoa and notes with concern that as of October 2005 Samoa had not reported its ODS consumption data for 2004. The Executive Committee nevertheless notes that within the framework of the institutional strengthening project, Samoa has taken significant steps to phase out its ODS consumption. Specifically, Samoa undertook the development of legal instruments to control and monitor ODS imports and consumption assisted the phasing out of CFCs. The licensing system was endorsed and the Ozone Layer Protection Regulations have been passed by the Cabinet. A database for ODS has not yet been formulated, but the content is finalized. The awareness programmes to enhance public knowledge were

continued and there were ongoing activities to inform importers, end-users and the general public on ozone issues. The Executive Committee is therefore hopeful that, in the next two years, Samoa will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption.

Senegal

18. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Senegal and notes with appreciation that Senegal reported 2004 data to the Ozone Secretariat which shows that Senegal has made significant progress in the phase-out of ODS consumption. Senegal has reduced its CFC consumption by 75 per cent and completely phased out methyl bromide consumption. The Executive Committee also notes the significant steps taken by Senegal, including the application of regulations on ODS imports. Inquiries and case studies on the efficiency of ODS import regulations and training of refrigeration technicians and customs officers were undertaken, while the awareness campaign involving distribution of information material for the public and periodic talks on radio and TV continued. The Executive Committee is therefore hopeful that, in the next two years, Senegal will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in its advance towards total phase-out of its current CFC consumption.

Sierra Leone

19. The Executive Committee has reviewed the report presented with the Institutional Strengthening Project renewal request for Sierra Leone and notes with concern that Sierra Leone has reported in 2004 halon consumption which exceeds its baseline. As a consequence Sierra Leone may be in potential non-compliance with the Protocol's halon control measures. The Executive Committee, however, notes that within the framework of the institutional strengthening project, Sierra Leone has taken significant steps to phase out its ODS consumption and the reported data shows that Sierra Leone was able to maintain its freeze in CFC consumption. Specifically, ODS regulations were successfully drafted and approved by the Cabinet. The National Ozone Office (NOO) implemented training programmes for customs officers and training in good refrigeration practices. Associations of refrigeration personnel were created and networked, and 20 technicians were trained on retrofit technology. The NOO has succeeded in increasing awareness on ozone issues which has resulted in reduction in importation of ODS. The Executive Committee is therefore hopeful, that in the next two years, Sierra Leone will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of its current CFC consumption.

Yemen

20. The Executive Committee has reviewed the report presented with the Institutional Strengthening Project renewal request for Yemen and notes with concern that as of 30 September 2005 Yemen had not reported 2004 data to the Ozone Secretariat. However, the

Executive Committee notes that based on data reported to the Fund Secretariat on the progress of implementation of its country programme Yemen appears to have made significant progress in its ODS phase-out. Yemen appears to have almost completely phased out its halon consumption and nearly 70 per cent of its CFC consumption, surpassing the 50 per cent reduction required in 2005. Yemen has, within the framework of the institutional strengthening project, taken significant steps to phase out its ODS consumption. Legislation for control of import/export of ODS was drafted and discussed by various stakeholders and the report for changing the baseline for CFCs, halons and methyl bromide was finalised. Training on alternatives to methyl bromide was held and specialised awareness activities were carried out. The Executive Committee is therefore hopeful, that in the next two years, Yemen will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success and achieve further rapid reductions in its consumption of CFCs and methyl bromide.

Annex IV
CAP 2006 BUDGET (in USD)

						CAP 2002	CAP 2003	CAP 2004	CAP 2005	CAP 2006
						approved ExCom 36	approved ExCom 38	approved ExCom 41	approved by ExCom 44	Total
10	PROJECT PERSONNEL COMPONENT									
	<i>1100</i>	<i>Project personnel</i>								
		Title	Location	Grade	m/y					
	1101	Head of Branch	Paris	D1	10	132.000	137.280	142.771	144.271	170.000
	1102	Network & Policy Manager	Paris	P5	12	150.500	156.520	162.781	164.781	171.000
	1103	Capacity Building Manager	Paris	P4	12	129.500	134.680	140.067	142.067	147.000
	1104	Information Manager	Paris	P4	12	129.500	134.680	140.067	142.067	147.000
	1105	Monitoring & Administration Officer	Paris	P3	12	108.500	112.840	117.354	119.354	124.000
	1106	Information Officer	Paris	P3	12	108.500	112.840	117.354	119.354	124.000
	1107	Helpdesk Officer	Paris	P2	12	87.500	91.000	94.640	96.640	101.000
	1108	IS/RMP/CP Officer	Paris	P3	12	108.500	112.840	117.354	119.354	124.000
	1109	IT Specialist	Paris	P3	6	54.250	56.420	58.677	59.677	62.000
	1110	ROA RNC (English)	Nairobi	P4	12	118.400	123.136	135.825	141.258	147.000
	1111	ROA Policy & Enforcement Officer	Nairobi	P4	12	118.400	123.136	135.825	141.258	147.000
	1112	ROA RMP Officer	Nairobi	P3	12	92.200	95.888	101.640	105.706	110.000
	1113	ROA MB Officer	Nairobi	P3	12	92.200	95.888	101.640	105.706	110.000
	1114	ROLAC RNC	Mexico	P4	12	108.864	113.219	120.000	124.800	130.000
	1115	ROLAC Policy & Enforcement Officer	Mexico	P4	12	108.864	113.219	120.000	124.800	130.000
	1116	ROLAC RMP Officer	Mexico	P3	12	89.586	93.169	108.977	113.336	118.000
	1117	ROLAC MB Officer	Mexico	P3	12	89.586	93.169	108.977	113.336	118.000
	1118	ROAP-SA RNC	Bangkok	P4	12	110.000	114.400	130.000	135.200	150.000
	1119	ROAP Policy & Enforcement Officer	Bangkok	P4	12	110.000	114.400	130.000	135.200	120.000
	1120	ROAP RMP Officer	Bangkok	P3	12	85.000	88.400	106.000	110.000	120.000
	1121	ROAP MB Officer	Bangkok	P3	12	85.000	88.400	106.000	110.000	140.000
	1122	ROWA RNC	Bahrain	P4	12	109.000	113.360	135.000	140.400	146.000
	1123	ROWA RMP Officer	Bahrain	P3	12	109.000	113.360	127.000	132.080	137.000
	1124	ROWA Halon Officer	Bahrain	P3	12	89.500	93.080	127.000	132.080	137.000
	1125	ROA RNC (French)	Nairobi	P4	12	118.400	123.136	135.825	141.258	147.000
	1126	RNC Europe/Central Asia	Paris	P3	12	0	0	136.500	119.354	124.000
	<i>1199</i>	<i>Sub-total</i>				<i>2.642.750</i>	<i>2.748.460</i>	<i>3.157.274</i>	<i>3.233.336</i>	<i>3.401.000</i>
	<i>1300</i>	<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	85.000
	1302	Assistant Network Manager	Paris	G5	12	67.000	69.680	72.467	75.366	76.000
	1303	Assistant Clearinghouse	Paris	G6	12	67.000	69.680	72.467	83.240	85.000
	1304	Assistant Monitoring & Administration	Paris	G5	12	67.000	69.680	72.467	75.366	76.000
	1305	Assistant IS/RMP/CP	Paris	G5	12	67.000	69.680	72.467	75.366	76.000
	1306	Assistant Programme	Paris	G5	12	67.000	69.680	72.467	75.366	76.000
	1307	Assistant Data & Documentation	Paris	G5	12	67.000	69.680	72.467	75.366	76.000
	1309	ROA RNC Assistant	Nairobi	G5	12	21.600	22.464	23.820	24.773	26.000
	1310	ROA Office Assistant	Nairobi	G5	12	21.600	22.464	23.810	24.762	26.000
	1311	ROLAC RNC Assistant	Mexico	G5	12	40.500	42.120	45.000	46.800	48.000
	1312	ROLAC Office Assistant	Mexico	G5	12	40.500	42.120	45.000	46.800	48.000
	1313	ROAP-SA RNC Assistant	Bangkok	G5	12	23.000	23.920	39.000	39.000	35.000
	1314	ROAP Office Assistant	Bangkok	G5	12	23.000	23.920	39.000	39.000	35.000
	1315	ROWA RNC Assistant	Bahrain	G5	12	35.000	36.400	36.400	37.856	39.000
	1316	ROWA Office Assistant	Bahrain	G5	12	35.000	36.400	30.000	31.200	32.000
	1317	Temporary assistance CAP				100.000	115.880	170.515	97.352	53.000

						CAP 2002	CAP 2003	CAP 2004	CAP 2005	CAP 2006
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	1318	Assistant to RNC ECA	Paris	G5	12	0	0	0	37.683	76.000
1399	<i>Sub-total</i>					875.700	860.728	967.385	968.534	968.000
1600	<i>Travel on official business (UNEP staff)</i>									
	1601	Paris staff travel				250.000	200.000	200.000	208.000	213.000
	1602	ROA staff travel				50.000	90.000	120.000	150.000	154.000
	1603	ROLAC staff travel				50.000	80.000	95.000	98.800	102.000
	1604	ROAP-SA staff travel				40.000	75.000	78.000	81.120	83.000
	1605	ROWA staff travel				20.000	70.000	90.000	93.600	96.000
	1606	ECA staff travel				0	0	20.800	25.000	26.000
1699	<i>Sub-total</i>					410.000	515.000	603.800	656.520	674.000
1999	COMPONENT TOTAL					3.928.450	4.184.188	4.728.459	4.858.390	5.043.000
20	SUB CONTRACT COMPONENT									
2200	<i>Sub-contracts (MOUs/LAs for supporting organizations)</i>									
	2202	Sub-contracts with supporting organizations ROA				0	0	0	50.000	52.000
	2203	Sub-contracts with supporting organizations ROLAC				0	0	0	10.000	11.000
	2204	Sub-contracts with supporting organizations ROAP				0	0	0	10.000	30.000
	2205	Sub-contracts with supporting organizations ROWA				0	0	0	5.000	45.000
	2206	Sub-contracts with supporting organizations ECA				0	0	0	15.000	16.000
	2212	Regional awareness raising ROA								46.000
	2213	Regional awareness raising ROLAC								69.000
	2214	Regional awareness raising ROAP								46.000
	2215	Regional awareness raising ROWA								23.000
	2216	Regional awareness raising ECA								23.000
2299	<i>Sub-total</i>					0	0	0	90.000	361.000
2300	<i>Sub-contracts (for commercial purposes)</i>									
	2301	Technical support for information systems				75.000	78.000	60.000	62.400	65.000
	2302	OzonAction Newsletter				100.000	104.000	135.000	140.400	166.000
	2303	Illustration/graphics/layout design				40.000	41.600	15.000	15.600	16.000
	2304	Exhibition/outreach				0	0	0	20.000	20.000
	2305	Adaptable media materials for the International Ozone Day/Journalist kit				0	0	0	0	120.000
2399	<i>Sub-total</i>					215.000	223.600	210.000	238.400	387.000
2999	COMPONENT TOTAL					215.000	223.600	210.000	328.400	748.000
30	TRAINING COMPONENT									
3200	<i>Travel</i>									
	3202	ROA South-South cooperation				0	20.000	30.000	31.200	0
	3203	ROLAC South-South cooperation				0	20.000	30.000	31.200	0
	3204	ROAP South-South cooperation				0	20.000	30.000	31.200	0
	3205	ROWA South-South cooperation				0	15.000	30.000	31.200	0
	3206	ECA South-South cooperation				0	0	15.000	25.000	0

					CAP 2002	CAP 2003	CAP 2004	CAP 2005	CAP 2006
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3299	<i>Sub-total</i>				0	75.000	135.000	149.800	0
3300	<i>Meetings/conferences</i>								
	3301	Advisory and Consultative Meetings - Paris			75.000	78.000	81.120	84.365	68.000
	3302	ROA network meetings/thematic workshops			198.000	201.000	220.000	240.000	246.000
	3303	ROLAC network meetings/thematic workshops			145.000	145.800	160.000	166.400	171.000
	3304	ROAP-SA network meetings/thematic workshops			56.000	60.000	80.000	83.200	86.000
	3305	ROWA network meetings/thematic workshops			56.000	65.000	70.000	72.800	75.000
	3306	ECA network meetings/thematic workshops			0	0	124.800	135.000	138.000
	3312	ROA South-South cooperation							32.000
	3313	ROLAC South-South cooperation							37.000
	3314	ROAP South-South cooperation							45.000
	3315	ROWA South-South cooperation							32.000
	3316	ECA South-South cooperation							26.000
3399	<i>Sub-total</i>				530.000	549.800	735.920	781.765	956.000
3999	COMPONENT TOTAL				530.000	624.800	870.920	931.565	956.000
40	EQUIPMENT AND PREMISES COMPONENT								
4100	<i>Expendable equipment (items under \$1,500 each)</i>								
	4101	Office supplies - Paris and ECA			24.000	24.960	25.958	26.996	12.000
	4102	Office supplies - Regions			20.000	36.000	40.560	41.367	40.000
4199	<i>Sub-total</i>				44.000	60.960	66.518	68.363	52.000
4200	<i>Non-expendable equipment</i>								
	4201	Office equipment / computer - Paris and ECA			30.000	31.200	32.448	33.746	25.000
	4202	Office equipment / computer - Regions			26.000	37.000	50.200	51.808	50.000
4299	<i>Sub-total</i>				56.000	68.200	82.648	85.554	75.000
4300	<i>Rental of premises</i>								
	4301	Office rental - Paris and ECA			220.000	228.800	300.000	332.000	345.000
	4302	Office rental - Regions			50.000	76.817	84.774	118.228	122.000
4399	<i>Sub-total</i>				270.000	305.617	384.774	450.228	467.000
4999	COMPONENT TOTAL				370.000	434.777	533.940	604.145	594.000
50	MISCELLANEOUS COMPONENT								
5100	<i>Operation and maintenance of equipment</i>								
	5101	Rental and maintenance of office equipment - Paris and ECA			50.000	52.000	54.080	56.243	22.000
	5102	Rental and maintenance of office equipment - Regions			30.000	37.000	33.400	34.336	33.000
5199	<i>Sub-total</i>				80.000	89.000	87.480	90.579	55.000
5200	<i>Reporting cost</i>								
	5201	Reporting/reproduction costs			25.000	26.000	32.240	33.530	54.000
	5202	Translations			0	20.000	30.200	36.608	40.000
5299	<i>Sub-total</i>				25.000	46.000	62.440	70.138	94.000
5300	<i>Sundry</i>								
	5301	Communication & dissemination - Paris and ECA			160.000	166.400	173.056	179.978	197.000
	5302	Communication - Regions			40.000	59.000	88.360	90.974	83.000
5399	<i>Sub-total</i>				200.000	225.400	261.416	270.952	280.000
5400	<i>Hospitality</i>								
	5401	Hospitality			3.000	3.120	3.245	3.375	0
5499	<i>Sub-total</i>				3.000	3.120	3.245	3.375	0
5999	COMPONENT TOTAL				308.000	363.520	414.581	435.044	429.000
99	TOTAL DIRECT PROJECT COST				5.351.450	5.830.885	6.757.900	7.157.544	7.770.000
	<i>Programme support costs (8%)</i>				428.116	466.471	540.632	572.604	621.600
	GRAND TOTAL				5.779.566	6.297.356	7.298.532	7.730.148	8.391.600

Annex V**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN THE ISLAMIC REPUBLIC OF IRAN**

1. The Executive Committee:
 - (a) At its 29th Meeting, approved US \$260,698 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of methyl bromide (MB) used in all major non-critical, non-essential uses in post harvest treatments (12.4 ODP tonnes); and
 - (b) At its 47th Meeting, approved an additional US \$227,950 (UNIDO) as the total funds available to the Islamic Republic of Iran to achieve the complete phase-out of MB used for soil fumigation in olive seedlings and fruit tree nurseries (14.4 ODP tonnes).
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for the Islamic Republic of Iran has been established at 26.7 ODP tonnes. The Islamic Republic of Iran has also reported MB consumption of 14.4 ODP tonnes for 2003, excluding quarantine and pre-shipment applications. Accordingly, the Islamic Republic of Iran is in compliance with the 2005 Montreal Protocol 20 per cent reduction.
3. Reductions in accordance to the terms of the above-mentioned project and other commitments presented in the project document will ensure that the Islamic Republic of Iran meets the reduction schedule presented below. In this regard, the Islamic Republic of Iran will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	14.4
2007	12.4
2008	10.4
2009	7.6
2010	5.6
2011	0

4. Disbursement of the funding approved for UNIDO will be 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:

2008	US \$100,000
2009	US \$27,950

5. The Government of the Islamic Republic of Iran 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 MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

6. Funding disbursement for the project will be conditional to the project's achievement of milestones programmed and the individual reduction schedule listed 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 project may be cancelled.

7. The Government of the Islamic Republic of Iran, in agreement with UNIDO, will have flexibility in organizing and implementing the project components which it deems to be most important in order to meet the MB phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions. UNIDO shall report back to the Executive Committee annually on the progress made in meeting the reductions required by this project.

Annex VI

**AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN
LIBYAN ARAB JAMAHIRIYA**

1. The Executive Committee at its 47th Meeting approved in principle, without prejudice to the operation of the Protocol's mechanism for dealing with non-compliance, US \$1,243,000 (US \$743,000 for UNIDO and US \$500,000 for the Government of Spain) plus agency support costs of US \$120,725 (US \$55,725 for UNIDO and US \$65,000 for the Government of Spain) as the total funds available to Libya to phase-out 96.0 ODP tonnes of methyl bromide (MB) used as a soil fumigant in horticulture (tomatoes, cucumbers, peppers and others), representing the total consumption of MB, excluding quarantine and pre-shipment applications.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Libya has been established at 94.1 ODP tonnes. Libya has also reported a MB consumption of 96.0 ODP tonnes for the year 2004, excluding quarantine and pre-shipment applications. As established by the Montreal Protocol, Libya is not in compliance with the 2002 freeze. Therefore, Libya must reduce its MB consumption by 2 ODP tonnes and by 21 ODP tonnes by 2005 to achieve compliance with the Montreal Protocol freeze and 20 per cent reduction, accordingly.

3. Reductions in accordance with the terms of this project, together with other commitments presented in the project document, would ensure that Libya would meet the reduction schedule listed below. In this regard, Libya will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2005	96.0
2007	75.0
2008	55.0
2009	30.0
2010	0.0

4. The Government of Libya 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 MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Funding for the project will be requested in the following two tranches:

Year	US \$
2005	743,000
2007	500,000

6. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays,

UNIDO and the Government of Spain 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 project may be cancelled.

7. The Government of Libya, in agreement with UNIDO and the Government of Spain, will have flexibility in organizing and implementing all project components it deems to be most important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.

8. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

Annex VII

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN ZIMBABWE

1. The Executive Committee:
 - (a) At its 31st Meeting, approved US \$904,200 as the total funds available to Zimbabwe to achieve the complete phase-out of methyl bromide (MB) used in cut flowers. The project was completed in 2005 with a total phase-out of 132 ODP tonnes of MB; and
 - (b) At its 47th Meeting, approved in principle an additional US \$3,724,972 as the total funds available to Zimbabwe to achieve the complete phase-out of MB used in tobacco seedbeds (additional 170 ODP tonnes).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Zimbabwe is 557.0 ODP tonnes. For 2004, Zimbabwe has reported a MB consumption of 184.2 ODP tonnes under Article 7 of the Montreal Protocol, excluding any amount used for quarantine and pre-shipment applications. Accordingly, Zimbabwe is in compliance with the 2005 Montreal Protocol allowable consumption level.

3. Reductions in accordance with the terms of the above-mentioned project and other commitments presented in the project document will ensure that Zimbabwe meets the reduction schedule presented below. In this regard, Zimbabwe will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2005	184.2
2006	174.2
2007	134.2
2008	74.2
2009	14.2

4. The project will phase out all remaining soil uses of MB in Zimbabwe, excluding 14.2 ODP tonnes used in the fumigation of stored grains and MB used for quarantine and pre-shipment applications. Zimbabwe commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Funding for the projects will be requested by UNIDO in the following two tranches:

Year	US \$
2005	1,862,486
2007	1,862,486

6. The Government of Zimbabwe has reviewed the consumption data identified in the 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 MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. Funding disbursement for the projects will be conditional to the project achievement of milestones programmed and the individual reduction schedule listed 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.

8. The Government of Zimbabwe, in agreement with UNIDO, will have the flexibility in organising and implementing the project's components which it deems more important in order to meet MB phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by these projects.

9. These agreed conditions between the Government of Zimbabwe and the Executive Committee have taken into account the already approved MB phase-out projects in cut flowers. Subsequently, they supersede the conditions agreed at the 31st Meeting of the Executive Committee.

Annex VIII

AGREEMENT BETWEEN THE GOVERNMENT OF AFGHANISTAN AND THE EXECUTIVE COMMITTEE FOR THE IMPLEMENTATION OF THE NATIONAL PHASE-OUT PLAN (NPP)

1. This Agreement represents the understanding of the Government of Afghanistan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol in accordance with the annual phase-out targets set out in Appendix 2-A and Appendix 2-B (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 as described in the NPP document.
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 11 of Appendix 2-A and Appendix 2-B (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A and Appendix 2-B. It will also accept independent verification by the relevant Bilateral Agency/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 (“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 have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5 (d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

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

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the funding in accordance with the Funding 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 reductions in consumption not achieved in any one year.

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

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access 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,
Annex-B	Group-II	CTC

Appendix 2-A: The Targets, and Funding Annex-A Group-I (CFC,s)

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	190.0	190.0	57.0	57.0	57.0	0.0	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)	179.7	179.7	57.0	41.0	30.0	0.0	
3. Reduction from ongoing projects							
4. New reduction under plan	0.0	122.7	16.0	11.0	30.0	0.0	179.7
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.0	122.7	16.0	11.0	30.0	0.0	179.7
6. UNEP agreed funding (US \$)	305,000	0					305,000
7. GTZ agreed funding (US \$)	118,438	602,368					720,806
8. Total agreed funding (US \$)	423,438	602,368					1,025,806
9. UNEP support costs (US \$)	39,650	-					39,650
10. GTZ support cost (US \$)	15,397	78,308					93,705
11. Total agency support costs (US \$)	55,047	78,308					133,355

Appendix 2-B: Targets, and Funding Annex B Group-II (CTC)

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.12	0.12	0.12	0.00	
2. Maximum agreed total consumption of Annex B Group II substances (ODP tonnes)	0.12	0.12	0.00	0.00	0.00	0.00	
3. Reduction from ongoing projects							
4. New reduction under plan	0.00	0.12	0.00	0.00	0.00	0.00	0.12
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.00	0.12	0.00	0.00	0.00	0.00	0.12
6. UNEP agreed funding (US \$)							
7. GTZ agreed funding (US \$)		40,000					40,000
8. Total agreed funding (US \$)		40,000					40,000
9. UNEP support costs (US \$)							
10. GTZ support cost (US \$)		5,200					5,200
11. Total agency support costs (US \$)		5,200					5,200

Appendix 3-A: Funding Approval Schedule

1. Funding will be considered for approval at the 47th and the 48th Executive Committee Meetings.

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**

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

3. **Industry Action**

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

4. **Technical Assistance**

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

5. **Government Action**

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

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

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

Verification and reporting

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

Institution for conducting the verification

6. Based on the discussion with UNEP, the Government of Afghanistan should select the independent organization (auditing) to carry out the verification of the NPP results and the monitoring programme.

Frequency of verification and reporting

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

Appendix 6-A: Role of the Lead IA

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2005 to be prepared and submitted in year 2006;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinating the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements are 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 Cooperating IA

1. GTZ as cooperating implementing agency, will:
 - (a) Assist the Government of Afghanistan in the implementation and verification of the activities to be undertaken by UNEP as funded in rows 9 and 10 of Appendix 2-A and Appendix 2-B;
 - (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) Provide assistance relating to the activities being undertaken when required.

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,150 per ODP tonne of reductions in consumption not achieved in the year.

Annex IX

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

1. This Agreement represents the understanding of Argentina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the country set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of the country in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances, other than funding for the MDI sector which is not considered in this Agreement. The Country reserves the right to request funding for the MDI sector in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 11 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and

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

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

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

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO (the “Lead IA”) and World Bank (Co-operating IA) have 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 Co-operating IA will be responsible to implement the Chiller component of the phase-out plan. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 and for the Co-operating IA as set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Target(s) for the elimination of the Substances in all the Sectors or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated

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

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

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

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

APPENDIX 1-A: THE SUBSTANCES

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

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

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	4,697.2	2,348.6	2,348.6	704.6	704.6	704.6	0.0	n/a
1. Max allowable total consumption of CFCs ¹ (ODP tonnes)	3,220.0	2,047.0	1,997.0	686.0	636.0	586.0	0.0	n/a
2. Total demand of CFCs ² (ODP tonnes)	2,429.5	2,189.7	1,668.0	1,268.0	868.0	518.0	158.5 ³	9,099.73
3. Reduction from on-going projects (ODP tonnes)	149.1	139.8	317.7	0.0	0.0	0.0	0.0	606.6
4. New reduction under plan ⁴ (ODP tonnes)	0.0	100.0	200.0	400.0	400.0	350.0	359.5	1809.5
5. Total annual reduction (ODP tonnes)	149.1	239.8	521.7	400.0	400.0	350.0	359.5	2420.1
6. Stockpile ⁵ (ODP tonnes)	2,421.2	2,278.5	2,607.5	2,025.5	1,793.5	1,861.5	1,703.0	14,690.7
7. Lead I.A. agreed funding ⁶	2,740,000	1,850,000	1,103,500	1,167,350	0	0	0	6,860,850
8. Lead I.A. support costs	205,500	138,750	82,763	87,551	0	0	0	514,564
9. Co-operating I.A. (WB) agreed funding	0	500,000	0	0	0	0	0	500,000
10. Co-operating I.A. (WB) support cost	0	37,500	0	0	0	0	0	37,500
11. Total agreed funding (US \$)	2,740,000	2,350,000	1,103,500	1,167,350	0	0	0	7,360,850
12. Total agency support costs (US \$)	205,500	176,250	82,763	87,551	0	0	0	552,064

¹ Article 7 data (production – export + import) constitute the target under this Agreement.

² Estimated.

³ Save for essential uses.

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

⁵ For information purposes.

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

APPENDIX 3-A: FUNDING DISBURSEMENT SCHEDULE

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

APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. **Data**

Country _____

Year of plan _____

of years completed _____

of years remaining under the plan _____

Target ODS consumption of the preceding year _____

Target ODS consumption of the year of plan _____

Level of funding requested _____

Lead implementing agency _____

Co-operating agency _____

2. **Targets**

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

* For ODS-producing countries

3. **Industry Action**

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

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

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

6. **Annual Budget**

Activity	Planned Expenditures (US \$)
TOTAL	

7. **Administrative Fees**

APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (OPROZ) monitors the consumption data of all ODS. Inspections at converted companies 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 Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Argentina.
3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to determine whether the project is successfully implemented and the target CFC phase out is achieved.
4. Monitoring activity will be done by:
 - (a) Establishing a system to ensure that every recycling and reclamation centre and substantive size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
 - (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
 - (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;
 - (d) Occasional visits to service workshops, recycling and reclamation centres.
5. Following information will have to be supplied by the recycling and reclamation centres and substantive size service workshops.

CFC quantity

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

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

Cost information

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

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

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

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

APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

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

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

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$9,840 per ODP tonne of reductions in consumption¹ not achieved in the year.

¹ As measured according to Article 7 of the Protocol.

Annex X

AGREEMENT BETWEEN THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL PHASE-OUT PLAN

1. This Agreement represents the understanding of the Government of the Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the "Substances") prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in Annex A (Group I) and Annex B (Groups II and III) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 7 of Appendix 2-A (the "Targets") and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances as described in the NPP document.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 12 of Appendix 2-A (the "Funding") to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the "Funding 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 Bilateral Agency/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 "Annual Implementation Programmes") in respect of the year for which funding is being requested.

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

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5 (d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP (the “Lead IA”) has agreed to be the lead implementing agency and UNIDO (the “Cooperating IA”) has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

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

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

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA with access 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-115
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Appendix 2-A: The Targets, and Funding

	2005	2006	2007	2008	2009	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	220.9	220.9	66.3	66.3	66.3	
2. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes)	177.0	120.0	66.0	48.0	30.0	
3. Reduction from ongoing projects (RMP)						
4. New reduction under plan	57.0+15.7	54.0	18.0	19.0	30.0	192.7
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	57.0+15.7	54.0	18.0	19.0	30.0	192.7
6. UNEP agreed funding (US \$)	234,600	163,400	100,000	20,000	10,000	528,000
7. UNIDO agreed funding (US \$)	536,000	0	0	0	0	536,000
8. Total agreed funding (US \$)	770,600	163,400	100,000	20,000	10,000	1,064,000
9. UNEP support costs (US \$)	30,498	21,242	13,000	2,600	1,300	68,640
10. UNIDO support cost (US \$)	40,200	0	0	0	0	40,200
11. Total agency support costs (US \$)	70,698	21,242	13,000	2,600	1,300	108,840

Appendix 3-A: Funding Approval Schedule

1. Funding other than payments in 2006, will be considered for approval at the first meeting of the 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 ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Co-operating agency(ies)	_____

2. Targets

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

3. Industry Action

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

4. Technical Assistance

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. Government Action

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

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this NPP.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NPP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring and controlling illegal ODS imports into the country.

3. The success of the monitoring programme will be based on three axes: 1) well designed forms for data collection, evaluation and reporting, 2) regular programme of monitoring visits; and, 3) appropriate cross-checking of information from different sources.

4. Each of the different projects within the NPP will need a different monitoring sub-programme suited to the objectives of the project.

Verification and reporting

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

Institution for conducting the verification

6. Based on the discussion with UNEP, the Government of D.P.R. Korea should select the independent organization (auditing) to carry out the verification of the NPP results and the monitoring programme.

Frequency of verification and reporting

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

Appendix 6-A: Role of the Lead Implementing Agency

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

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2005 to be prepared and submitted in year 2006;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

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

Appendix 6-B: Role of Cooperating Implementing Agency

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

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

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

Annex XI

AGREEMENT BETWEEN THE GOVERNMENT OF SAINT VINCENT AND THE GRENADINES AND THE EXECUTIVE COMMITTEE FOR THE TERMINAL PHASE-OUT MANAGEMENT PLAN

1. This Agreement represents the understanding of the Government of Saint Vincent and the Grenadines (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the use of the Substances in Annex A (Group I) of the Montreal Protocol in accordance with the annual phase-out targets set out in rows 2 and 3 of Appendix 2-A (the “Targets”) and this Agreement. 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 as described in the TPMP document.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 8 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the funding was determined on the basis of estimates of the needs of the country to carry out its obligations under this agreement, the Executive Committee agrees that the country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub paragraph 5 (d). Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.

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

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

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP (the "Lead IA") has agreed to be the lead implementing agency and UNDP (the "Cooperating IA") has agreed to be cooperating implementing agency under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programs of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 9 and 10 of Appendix 2-A.

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

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

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA [and the Cooperating IA] with access 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-115
Annex B	Groups II and III	Carbon tetrachloride (CTC) and Methyl chloroform (TCA)

APPENDIX 2-A: THE TARGETS, AND FUNDING

	2005	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tons) according to Montreal Protocol Schedule	0.90	0.90	0.27	0.27	0.27	0.00	n/a
2. Max allowable total consumption of CTC and TCA (ODP tons)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
3. Maximum agreed total consumption of Annex A Group I substances (ODP tonnes) as per MOP decision XVI/30	1.39	0.83	0.45	0.22	0.10	0.00	n/a
4. Reduction from ongoing projects	0	0	0	0	0	0	0
5. Total annual reduction of Annex A Group I substances (ODP tonnes)	0.69 + 0.56	0.38	0.23	0.12	0.10	0	2.08
6. UNEP agreed funding (US \$)	67,000	0	14,000	14,000	14,000	0	109 000
7. UNDP agreed funding (US \$)	101,000	0	21,000	6 000	0	0	128 000
8. Total agreed funding (US \$)	168,000	0	35, 000	20, 000	14,000	0	237 000
9. UNEP support costs (US \$)	8,710	0	1,820	1,820	1,820	0	14,170
10. UNDP support cost (US \$)	9,090	0	1,890	540	0	0	11,520
11. Total agency support costs (US \$)	17,800	0	3,710	2,360	1,820	0	25,690

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding other than payments for 2006, will be considered for approval at the first meeting of the year of the annual implementation programme. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

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

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

3. Industry Action

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

4. Technical Assistance

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

5. Government Action

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

6. Annual Budget

Activity	Planned Expenditures (US \$)
Total	

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", which is included within this TPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the TPMP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

Verification and reporting

3. Under this component there are two independent types of verification as follows:
 - (a) In accordance to Decision 45/54 of the Executive Committee. The Executive Committee reserves the right for independent verification in case the Executive Committee selects Saint Vincent and the Grenadines for related auditing as per decision 45/54;
 - (b) Verification for monitoring and in accordance to the TPMP and the TPMP Annual Implementation Programme objectives. The outcome of the different elements of the TPMP and of the monitoring activities will be verified independently by an external organization. The Government, Lead Agency 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. Based on the discussion with the United Nations Environment Programme, the Government of Saint Vincent and the Grenadines should select the independent organization (auditing) to carry out the verification of the TPMP results and the monitoring programme as per paragraph 5.b above.

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 IA

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) 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. For this undertaking, separate funding will be provided by the Executive committee to the Lead Agency;
- (e) Assist the country in Preparation of the Annual Implementation Programme;
- (f) Ensure that the achievements in previous Annual Implementation Programmes are reflected in the future Annual Implementation Programme;
- (g) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for Annual Implementation Programme for the year of submission for submission to the Executive Committee, commencing with the 2007 Annual Implementation Programme combined with the Report on the 2006 Annual Implementation Programme;
- (h) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (i) Carrying out required supervision missions;
- (j) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (k) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (l) Coordinating the activities of the Coordinating IAs, if any;
- (m) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (n) Providing assistance with policy, management and technical support when required.

APPENDIX 6-B: ROLE OF COOPERATING IA

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

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

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$15,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex XII

SECRETARIAT BUDGETS FOR 2006, 2007 AND 2008

		Approved	Approved	Approved
		2006	2007	2008
10	PERSONNEL COMPONENT			
1100	Project Personnel (Title & Grade)			
	01 Chief Officer (D2)	180.432	189.454	198.926
	02 Deputy Chief Officer (Economic Cooperation) (P5)	165.573	173.852	182.545
	03 Deputy Chief officer (Technical Cooperation) (P5)	168.891	177.336	186.203
	04 Senior Project Management Officer (P5)	160.910	168.955	177.403
	05 Senior Project Management Officer (P5)	160.910	168.955	177.403
	06 Senior Project Management Officer (P5)	160.910	168.955	177.403
	07 Senior Project Management Officer (P5)	160.910	168.955	177.403
	08 Information Management Officer (P3)	142.279	149.393	156.863
	09 Admin & Fund Management Officer (P4)	144.370	151.589	159.168
	10 Senior Monitoring and Evaluation Officer (P5)	160.910	168.955	177.403
	11 Associate Executive Assistant (P2)	74.970	78.719	82.654
	12 Associate IT Officer (P2)	71.400	74.970	78.719
1199	Sub-Total	1.752.465	1.840.089	1.932.093
1200	Consultants			
	01 Technical and project review			
1299	Sub-Total		-	-
1300	Administrative Support Personnel			
	01 Admin Assistant (G8)	62.512	65.637	68.919
	02 Meeting Services Assistant (G7)	59.150	62.108	65.213
	03 Programme Assistant (G8)	62.512	65.637	68.919
	04 Senior Secretary (Deputy Chief, EC) (G6)	46.305	48.620	51.051
	05 Senior Secretary (Deputy Chief, TC) (G6)	46.305	48.620	51.051
	06 Computer Operations Assistant (G8)	62.512	65.637	68.919
	07 Secretary (Prog. Officers -2) (G6)	48.940	51.387	53.956
	08 Secretary/Clerk, Administration (G7)	52.500	57.881	60.775
	09 Registry Clerk (G5)	40.000	42.000	44.100
	10 Database Assistant (G8)	62.512	65.637	68.919
	11 Secretary, Monitoring & Evaluation (G6)	46.305	48.620	51.051
	Sub-Total	589.552	619.029	633.373
1320	Conference Servicing Cost			
1333	Meeting Services: ExCom (3)	600.000		
1335	Temporary assistance	50.000		
1399	TOTAL ADMINISTRATIVE SUPPORT COST	1.224.488	619.029	633.373
1600	Travel on official business	-		
	01 Mission Costs	160.000		
19	COMPONENT TOTAL	3.065.553	2.459.118	2.565.466

			Approved	Approved	Approved
			2006	2007	2008
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 (3)	225.000		
	03	Informal Sub-Group Meetings	30.000		
39	COMPONENT TOTAL		285.000		
40	EQUIPMENT COMPONENT				
4100	Expendables				
	01	Office Stationery	15.000		
	02	Software	9.000		
		Sub-Total	24.000		
4200	Non-Expendable Equipment				
	01	Computers, printers	10.000		
	02	Others	5.000		
		Sub-Total	15.000		
4300	Premises				
	01	Rental of office premises	310.000		
49	COMPONENT TOTAL		349.000		

		Approved	Approved	Approved
		2006	2007	2008
	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	54.000		
52	Reporting Costs			
	01 Executive Committee meetings			
	02 Others	20.000		
	Sub-total	20.000		
53	Sundries			
	01 Communications	40.000		
	02 Freight Charges	15.000		
	03 Bank Charges	5.000		
	04 Staff training (carried over)	38.000		
	Sub-total	98.000		
54	01 Hospitality costs	10.000		
59	COMPONENT TOTAL	182.000		
GRAND TOTAL		3.881.553	2.459.118	2.565.466
	Programme Support Costs (13%) (applied to budget lines 11 and 13.01 to 13.11 only)	304.462	319.685	333.511
Less	Cost covered by Government of Canada *	(613.560)		
COST TO MULTILATERAL FUND		3.572.455	2.778.803	2.898.976
	Previous budget schedule	2.548.775	2.676.214	-
	Increase/decrease	1.023.680	102.589	2.898.976
	Percentage Increase/decrease	28,65%	3,69%	100,00%

*Contribution of the Government of Canada is to offset cost differentials for having the Secretariat in Montreal as opposed to Nairobi. The amount is based on 2004 actual differentials of \$267,586 for staff and \$345,974 for rent

Annex XIII

AGREEMENT FOR THE ROMANIA ODS PRODUCTION SECTOR

1. The Executive Committee at its 47th Meeting decided to approve in principle a total of US \$ 6,300,000 in funding for the phased reduction and closure of the entire ODS production capacity in Romania consisting of 19,800 ODP tonnes of CTC, 90 ODP tonnes of methyl bromide and 4,750 ODP tonnes of CFC.

2. This is the total funding that would be available to the Government of Romania from the Multilateral Fund for the total permanent closure of all capacities for the production and where applicable, the co-production of the controlled substances in Group I Annex A and Group I Annex B (CFCs), Group II (carbon tetrachloride) and Group I Annex E (methyl bromide), dismantling of methyl bromide and CFC production facilities and/or development of capacity to produce alternatives to these ODSs.

3. The agreed level of funding would be paid out in instalments in the exact amounts specified in Table 1, and on the basis of the following understanding:

- (a) By this approval, the Government of Romania 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 (CFCs), Group II (carbon tetrachloride) and Group I Annex E (methyl bromide) production in accordance with the maximum allowable production in the same table:

Table 1

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Max. annual allowable Production of CFC (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0						
Max. annual allowable Production of CTC for controlled uses* (ODP tonnes)	170.0	170.0	170.0	0.0	0.0	0.0						
Max. annual allowable Production of methyl Bromide (ODP tonnes)	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Max. annual allowable Production of TCA (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL MLF Grant (US\$'000)	3,440	968	1,075	1,290	0	0	0	0	0	0	0	6,773
Project cost (US\$ '000)	3,200	900	1,000	1,200	0	0	0	0	0	0	0	6,300
Agency fees (US\$ '000)	240	67.5	75	90	0	0	0	0	0	0	0	472.5

* - except for the uses exempted by a Decision of the Parties to Montreal Protocol

The Executive Committee has also agreed in principle that it will provide funds on the basis of annual programmes. Payments noted in this paragraph (other than the initial tranche for 2005) are conditioned upon completion of agreed production decreases noted in Table 1 being independently verified and maintained and the Government of Romania meeting the other requirements of this agreement.

The funds are to be approved at the second meeting each year, upon the submission by UNIDO 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) The Government of Romania agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. The Government of Romania also agrees to allow for independent technical audits administered by the implementing agency, and in addition, as may be directed by the Executive Committee to verify annual ODS production levels agreed in Table 1 and plant dismantling and/or retrofitting or destruction.
- (c) The Executive Committee wishes to provide to the Government of Romania with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while Romania'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 Romania project proposal, the funds provided to the Government of Romania pursuant to this agreement may be used in any manner that the Government of Romania believes will achieve the smoothest ODS production phase out possible.
- (d) The Government of Romania agrees that the funds being agreed in principle by the Executive Committee at its 47th Meeting for complete closure of its ODS production capacity, is the total funding that will be available to it to enable its full compliance with the ODS 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, the Government of Romania and the Multilateral Fund and its Implementing Agency will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of ODS 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) The Government of Romania understands that if the Executive Committee meets its obligations under this agreement, but the Government of Romania 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 the subsequent tranche of funding outlined in Table 1 until such time as the required reduction has been met or the required dismantling has been recorded. In addition, the Government of Romania understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the ODS 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 the Government of Romania and the Executive Committee.
- (f) UNIDO has agreed to be the implementing agency for this project. The agency fee for the project will be at a fee of 7.5% of project costs, and released together with the annual tranches. As the implementing agency during that time period, UNIDO 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 arranged by UNIDO are undertaken by appropriate independent technical experts;
 - (iii) Assisting the Government of Romania 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) Ensuring that disbursements are made to the Government of Romania based on agreed performance targets in the project, and the provisions of this agreement; and

- (vii) Independently verifying for the Executive Committee that any dismantling of ODS production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS 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 ODS 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 described to them in the Montreal Protocol unless otherwise defined herein.

Annex XIV

AGREEMENT FOR THE METHYL BROMIDE PRODUCTION SECTOR PLAN IN CHINA

1. The Executive Committee, at its 47th Meeting decided to approve in principle a total of US\$ 9,790,000 in funding for the phased reduction and closure of the entire methyl bromide production capacity for controlled applications in China.
2. This is the total funding that would be made available to China by the Multilateral Fund for the total permanent closure of all capacities for the production of controlled substances of Group I Annex E (methyl bromide) excluding the production for quarantine and pre-shipment (QPS), feedstock and critical uses if any, and/or development of capacity to produce alternatives to methyl bromide for controlled applications.
3. The agreed level of funding would be paid out in instalments in the exact amounts specified in Table 1 and on the basis of the following understanding:
 - (a) By this approval, the Government of China agrees that in exchange for the funding level specified in Table 1, it will reduce its controlled Group I Annex E (methyl bromide) production in accordance with the maximum allowable production in the same table:

Table 1

Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Max. annual allowable production of methyl bromide for controlled uses (ODP tonnes)	621.0	600.0	570.6	390.0	250.0	209.0	176.0	150.0	100.0	50.0	0.0*	-
Project cost (US\$ '000)	3,000	0	0	3,000	0	0	2,000	0	0	1,790	0	9,790
Agency fees (US\$ '000)	225	0	0	225	0	0	150	0	0	134	0	734
TOTAL MLF Grant (US\$ '000)	3,225	0	0	3,225	0	0	2,150	0	0	1,924	0	10,524

*save for QPS, feedstock and critical uses to be approved by Parties.

The Executive Committee has also agreed in principle that it will provide funds on the basis of progress reports submitted in accordance with the schedule indicated above. Payments noted in this paragraph (other than the initial tranche for 2005) are conditioned upon completion of agreed production decreases noted in Table 1 being independently verified and maintained and China meeting the other requirements of this agreement.

The funds are to be approved at the second meeting in the years indicated above, upon the submission by UNIDO and the acceptance by the Executive Committee of the verification of the reduction targets in the preceding years specified in

Table 1, with the exception of the first tranche, which will be released upon approval of this agreement.

- (b) The Government of China agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Protocol and this agreement. China also agrees to allow for independent technical audits administered by the implementing agency, and in addition, as may be directed by the Executive Committee to verify annual controlled methyl bromide production levels agreed in Table 1.
- (c) The Executive Committee wishes to provide the Government of China with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in Table 1. Accordingly, while China'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 China project proposal, the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible phase out of controlled methyl bromide production.
- (d) The Government of China agrees that the funds being agreed in principle by the Executive Committee at its 47th Meeting for the complete closure of its methyl bromide production for controlled uses, is the total funding that will be available to enable its full compliance with the methyl bromide 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 an infrastructure for the production and import of alternatives. It is also understood that, aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, the Government of China and the Multilateral Fund and its Implementing Agency will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of controlled methyl bromide 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) The Government of China understands that, if the Executive Committee meets its obligations under this agreement, but the Government of China does not meet the reduction requirements outlined in paragraph (a), and other requirements outlined in this document, UNIDO and the Multilateral Fund will withhold funding from the subsequent tranche of the funding outlined in Table 1 until such time as the required reduction has been met. In addition, the Government of China understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the methyl bromide production phase-out on the basis of US \$5,000 per metric tonnes of reductions not achieved in any tranche of this

agreement. It is clearly understood that the fulfilment of this agreement depends on the satisfactory performance of its obligations by both the Government of China, and the Executive Committee.

- (f) UNIDO has agreed to be the implementing agency for this project. The agency fee for the project will be at a fee of 7.5% of project costs, and released together with the annual tranches. As the implementing agency during the project time, UNIDO is 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 arranged by UNIDO are undertaken by appropriate independent technical experts;
 - (iii) Assisting the Government of China in the development of its annual work program, which incorporates achievements in programs in previous years;
 - (iv) Carrying out supervision missions as required;
 - (v) Ensuring the presence of an effective operating mechanism to enable an effective, transparent implementation of the programme and accurate, verified reporting of data;
 - (vi) Ensuring that disbursements are made to the Government of China based on agreed performance targets in the project, and the provisions of this agreement.
- (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 methyl bromide production sector or any related activity.
- (h) All of the arrangements 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.
