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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March-3 April 2009

BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Terminal phase-out management plan (second tranche) in Bolivia	Canada
Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche)	Czech Republic
Terminal CFCs phase-out management plan (third tranche) in Kenya	France
Terminal phase-out management plan (first tranche) in Botswana	Germany
Preparation of a HCFC phase-out management plan (XPS foam sector) in Brazil	Germany
Preparation of a HCFC phase-out management plan: extruded polystyrene foam (additional funding) in China	Germany
National CFC phase-out plan: 2009 annual implementation programme in Islamic Republic of Iran	Germany
Preparation of a HCFC phase-out management plan (foam sector) in Islamic Republic of Iran	Germany
Preparation of a HCFC phase-out management plan in Lesotho	Germany
Preparation of a HCFC phase-out management plan in Liberia	Germany
Preparation of a HCFC phase-out management plan (additional funding) in Namibia	Germany
Preparation of a HCFC phase-out management plan in Papua New Guinea	Germany
Terminal phase-out of methyl bromide (first tranche, part 2) in Yemen	Germany
National phase-out of Annex A (Group I) substances (phase II, third tranche) in Zimbabwe	Germany
Terminal phase-out management plan for CFCs (second tranche) in Senegal	Italy

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issuance of the document.

Note on the organization of the document

1. This document provides an overview of requests from bilateral agencies, and whether these are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2009. It cross-references relevant meeting documents that include a discussion on the bilateral requests, and also contains the standard recommendation on the year of assignment for bilateral cooperation, as a general recommendation at the end of the document.

2. There are nine requests that are fully addressed in this document. One from the Government of the Czech Republic on initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche) in Europe, seven on project preparation for HCFC phase-out management plans, by Germany and one terminal phase-out on plan for methyl bromide (first tranche, part 2) in Yemen by Germany.

Introduction

3. A total of fifteen requests for bilateral cooperation with a value of US \$2,294,101 (including agency fees) have been received by the Secretariat for approval at the 57th Meeting. This document presents, by bilateral agency, those projects that are before the Executive Committee for its consideration.

4. Table 1 provides a summary of the value and number of requests by bilateral agency.

Table 1

VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY (including agency fees)

Bilateral Agency	Total Amount Requested (US \$)	Number of Projects
Canada	99,440	1
Czech Republic	90,965	1
France	202,367	1
Germany	1,748,779	11
Italy	152,550	1
TOTAL	2,294,101	15

REQUEST FROM THE GOVERNMENT OF CANADA

Introduction

5. Table 2 provides a summary of the request for bilateral co-operation from the Government of Canada. The value of this request (US \$99,440) does not exceed 20 per cent of Canada's contribution for 2009 (US \$963,805).

Table 2

SUBMISSION FROM THE GOVERNMENT OF CANADA AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan (second tranche)	Bolivia	88,000	(1)
Agency Fee		11,440	
TOTAL		99,440	

(1) UNEP/OzL.Pro/ExCom/57/25

BOLIVIA: Terminal phase-out management plan (second tranche) (US \$88,000)

6. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/25.

REQUEST FROM THE GOVERNMENT OF CZECH REPUBLIC

Introduction

7. Table 3 presents a summary of the request for bilateral co-operation from the Government of Czech Republic. The value of this request (US \$90,965) does not exceed 20 per cent of the Czech Republic's contribution for 2009 (US \$90,974).

Table 3

SUBMISSION FROM THE GOVERNMENT OF THE CZECH REPUBLIC AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche)	Europe	80,500	(*)
Agency Fee		10,465	
TOTAL		90,965	

(*) Individual consideration / pending

EUROPE: Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche) (US \$80,500)

Project description

8. The Government of the Czech Republic is submitting, jointly with UNEP, a project to establish a regional enforcement network for the Europe and Central Asia (ECA) network. This project will be implemented through UNEP's networking activity under the CAP, and linked with the ODSNET/ECA network.

9. Following the concept of previously approved enforcement projects in Asia and the Pacific and Africa, the main objective of the proposal is to strengthen regional cooperation to control the trans-boundary movement of ODS including HCFC's by bringing together customs and ozone officers in ECA network countries and ODS-exporting countries (including China, Russia and European Union). It will also look at the efficient enforcement of import/export controls in the network member countries leading to the prevention of illegal ODS trade in the region.

10. The current network will cover the 12 countries that are part of the ECA network of ODS Officers operated by UNEP's CAP through its team in Paris. This project will be implemented within the framework of the ODSNET/ECA and regional meetings and will be organised back-to-back with the network meetings and possibly with regional Green Customs workshops to promote synergies. The Czech Republic and UNEP propose that this Customs Enforcement Network should be a two-year initiative and hold one meeting of customs and ozone officers per year. It also proposes the development of enforcement tools, review and analysis of import data, as well as setting up a regional information system that would be useful for the region.

11. The project is being submitted with a total proposed budget for two years of US \$239,750, of which US \$78,750 would be managed by UNEP and US \$161,000 would be in the form of bilateral assistance from the Government of the Czech Republic. The UNEP component will fund the organisation of the enforcement meetings including travel and per diem of participants. The Government of the Czech Republic will bear the costs for other elements such as experts and resource speakers, desk studies, costs for setting up the regional information exchange system, and the development of enforcement and other management tools.

Fund Secretariat's comments

12. This project proposal was initially submitted to the 53rd Meeting where the Committee decided to “defer consideration of the intelligence-led enforcement support for the Regional Ozone Network for Europe and Central Asia (ECA) and to request UNEP to resubmit a more comprehensive proposal to the Executive Committee at a future Meeting” (decision 53/19(c)).

13. The Secretariat notes that this current submission includes more substantive information about the region with respect to ODS trade, and provides examples of discussions and conclusions from past meetings where these issues have been considered. UNEP, on behalf of the Czech Republic informed the Secretariat that there had been consultations with the member countries that addressed the challenges and experiences related to the control of trade, including illegal trade in ODS and ODS-containing technologies. Letters of support from the participating countries were also provided by UNEP and the Czech Republic.

14. In comments and subsequent discussions sent to UNEP and the Government of the Czech Republic, the Secretariat noted that this project will need to be considered in the context of UNEP's CAP budget, since networking is an activity under the CAP, and is already funded as such. In approving the CAP funding for 2007, the Executive Committee clearly encourages “UNEP to continue extending the prioritization of funding among CAP budget lines so as to accommodate changing priorities” (decision 50/26). Both UNEP and the Government of the Czech Republic provided a budget where UNEP took into account certain activities that will be implemented through other components of the CAP for which no funding will be sought.

15. In light of these comments, and following discussions between the Secretariat, the Government of the Czech Republic and UNEP, it was agreed that funding could be recommended for the first year of the project only, without prejudice to the approval of the funding for the remaining two years. This would allow the network to gather the commitment it needed and ensure the sustainability of its future operation.

Secretariat's recommendation

16. The Fund Secretariat recommends approval of this project for one year only, at the following funding levels: Czech Republic, US \$80,500 plus support costs of US \$10,465; and UNEP, US \$51,250 plus support costs of US \$6,663. This is without prejudice to future funding approvals for the remaining year proposed for this project.

REQUEST FROM THE GOVERNMENT OF FRANCE

Introduction

17. Table 4 presents a summary of the request for bilateral co-operation from the Government of France. The value of this request (US \$202,367) does not exceed 20 per cent of France's contribution for 2009 (US \$2,039,952).

Table 4

SUBMISSION FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal CFCs phase-out management plan (third tranche)	Kenya	179,086	(1)
Agency Fee		23,281	
TOTAL		202,367	

(1) UNEP/OzL.Pro/ExCom/57/39

KENYA: Terminal CFCs phase-out management plan (third tranche) (US \$179,086)

18. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/39.

REQUEST FROM THE GOVERNMENT OF GERMANY

Introduction

19. Table 5 presents a summary of the request for bilateral co-operation projects from the Government of Germany. The value of this request (US \$1,748,779) does not exceed Germany's contribution level for 2009 (US \$2,776,808).

Table 5

SUBMISSION FROM THE GOVERNMENT OF GERMANY AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan (first tranche)	Botswana	155,000	(1)
Preparation of a HCFC phase-out management plan (XPS foam sector)	Brazil	42,000	42,000
Preparation of a HCFC phase-out management plan: extruded polystyrene foam (additional funding)	China	201,370	201,370
National CFC phase-out plan: 2009 annual implementation programme	Islamic Republic of Iran	512,208	(2)
Preparation of a HCFC phase-out management plan (foam sector)	Islamic Republic of Iran	70,000	70,000
Preparation of a HCFC phase-out management plan	Lesotho	85,000	85,000
Preparation of a HCFC phase-out management plan	Liberia	85,000	85,000
Preparation of a HCFC phase-out management plan (additional funding)	Namibia	55,000	55,000
Preparation of a HCFC phase-out management plan	Papua New Guinea	85,000	85,000
Terminal phase-out of methyl bromide (first tranche, part 2)	Yemen	91,710	91,710
National phase-out of Annex A (Group I) substances (phase II, third tranche)	Zimbabwe	175,000	(3)
Agency Fee		191,491	92,651
TOTAL		1,748,779	807,731

(1) UNEP/OzL.Pro/ExCom/57/26

(2) UNEP/OzL.Pro/ExCom/57/37

(3) UNEP/OzL.Pro/ExCom/57/57

BOTSWANA: Terminal phase-out management plan (first tranche) (US \$ 155,000)

20. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/26.

ISLAM REPUBLIC OF IRAN: National CFC phase-out plan: 2009 annual implementation programme (US \$512,208)

21. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/37.

ZIMBABWE: National phase-out of Annex A (Group I) substances (phase II, third tranche) (US \$175,000)

22. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/57.

Project preparation for HCFC phase-out management plans

CHINA: Preparation of a HCFC phase-out management plan: extruded polystyrene foam (additional funding) (US \$201,370)

23. In decision 55/19 the Executive Committee decided to *inter alia* “approve in principle the request submitted by the Government of Germany for HPMP project preparation in China at the level of US \$402,739 plus agency support costs of US \$52,356 to cover the XPS foam sector on the condition that no further funding for project preparation for Stage 1 for this sector would be approved by the Executive Committee, and noting that:

- (a) US \$201,369 plus agency support costs of US \$26,178 has been approved at the 55th Meeting; and
- (b) US \$201,370 plus agency support costs of US \$26,178 will be requested by the Government of Germany at future meetings.”

24. Germany is submitting this request in line with decision 55/19(b) above.

Fund Secretariat’s comments

25. The Secretariat reviewed the above submission, and find that the funding requested is consistent with decision 55/19.

Fund Secretariat’s recommendation

26. The Fund Secretariat recommends blanket approval for the request of the Government of Germany for the remaining balance for the preparation of the HCFC phase-out management plan in China at the level of funding indicated in Table 5 of this document.

NAMIBIA: Preparation of a HCFC phase-out management plan (additional funding) (US \$55,000)

Project description

27. The Government of Germany submitted a request for additional HCFC project preparation funds amounting to US \$55,000 for Namibia. At the 55th Meeting, the country received funds for HPMP preparation of US \$30,000 for the Government of Germany because it had reported zero consumption at

the time of its submission. This request is being submitted in line with decision 55/13 since Namibia has reported Article 7 data for 2007 that shows consumption of HCFC-22 of 11.8 ODP tonnes.

Fund Secretariat's comments

28. The Secretariat notes that this submission complies with decision 55/13 where countries that had zero consumption may submit requests for additional funding for HPMP preparation if new data shows that there is HCFC consumption in the country. The Article 7 data for 2007 reported by Namibia supports this request.

Fund Secretariat's recommendation

29. The Fund Secretariat recommends blanket approval of the request for additional funding for the preparation of HCFC phase-out management plans for Namibia at the level of funding shown in Table 5 of this document.

BRAZIL: Preparation of a HCFC phase-out management plan (XPS foam sector) (US \$42,000)
ISLAMIC REPUBLIC OF IRAN: Preparation of a HCFC phase-out management plan (foam sector) (US \$70,000)

Project description

30. The Government of Germany submitted two requests for funds to prepare a sub-sector plan for the XPS foam sector for Brazil and a sector plan for the foam sector for the Islamic Republic of Iran. In both countries, UNDP is the lead agency and has requests for both countries in its work programme UNEP/OzL.Pro/ExCom/57/18.

31. In support of its submission, the Government of Germany provides details on the specific elements and components that will be considered in the preparation process. It mentions that the preparation for both countries will include a review of all existing data and surveys, complete existing inventories of enterprises, their consumption, products and practices. It will also carry out onsite-visits and evaluate installations, develop and integrate a national database, analyze findings, review options and alternatives, consult with stakeholders and draft a final strategy for the HCFC phase-out in the foam sub-sectors.

Fund Secretariat's comments

32. The Secretariat reviewed the above submissions in detail, and concluded that the information provided and the funding requested is consistent with decision 56/16. Detailed information for each request are available with the Secretariat upon request.

Fund Secretariat's recommendation

33. The Fund Secretariat recommends blanket approval for the requests of the Government of Germany for the preparation sector plans as part of the HPMP in Brazil and the Islamic Republic of Iran at the level of funding indicated in Table 5 of this document, consistent with decision 56/16.

Project preparation for HCFC phase-out management plans (new)

LESOTHO: Preparation of a HCFC phase-out management plan (US \$85,000)
LIBERIA: Preparation of a HCFC phase-out management plan (US \$85,000)
PAPUA NEW GUINEA: Preparation of a HCFC phase-out management plan (US \$85,000)

Project description:

34. The Government of Germany submitted requests for project preparation for Papua New Guinea, Lesotho and Liberia as indicated above.

Fund Secretariat's comments

35. The Secretariat notes that the above requests are in line with decision 56/16, as well as with the agreement reached at the 55th Executive Committee Meeting that countries with HCFC consumption will receive funds for HPMP preparation for stage 1 of their HPMP. The 2007 HCFC consumption for the three countries is 7.7, 1.9 and 5 ODP tonnes respectively.

Fund Secretariat's recommendation

36. The Fund Secretariat recommends blanket approval of the requests for funding for the preparation of HCFC phase-out management plan for the above countries at the level shown in Table 5 of this document.

YEMEN: Terminal phase-out of methyl bromide (first tranche, part 2) (US \$91,710)

37. On behalf of the Government of Yemen, the Government of Germany submitted a project proposal for the terminal phase-out of methyl bromide (MB) in Yemen for consideration by the Executive Committee at its 56th Meeting. Subsequently, the Committee approved:

- (c) In principle, the project at a total cost of US \$601,450 plus agency support costs of US \$76,159 for Germany, on the understanding that no additional funding would be provided for Yemen for the phase-out of controlled uses of MB;
- (d) An agreement between the Government and the Committee on the phase-out of controlled uses of MB; and
- (e) The first tranche of the phase-out plan at a total cost of US \$201,450 plus agency support costs of US \$25,509, on the understanding that, of that amount, US \$123,636 would be approved at the present Meeting and the balance of US \$103,323 including agency support costs would be requested by the Government of Germany at the 57th Meeting (decision 56/57).

38. Pursuant to decision 56/57, and on behalf of the Government of Yemen, the Government of Germany has submitted a request amounting to US \$91,710 plus agency support costs of US \$11,613 as the second payment of the first tranche of the terminal phase-out of MB to be approved by the Executive Committee at its 57th Meeting.

Secretariat's comments

39. The estimated MB consumption of 32.6 ODP tonnes in 2008 is 3.1 ODP tonnes below the reported consumption of 35.7 ODP tonnes in 2007.

40. Upon a request by the Secretariat, the Government of Germany indicated that monitoring activities continued over 30 cucumber farms where solarization technology has been introduced. MB has been completely phased out from these farms.

Secretariat's recommendation

41. The Secretariat recommends blanket approval of the second payment of the first tranche of the terminal phase-out of methyl bromide for Yemen at the level of funding shown in Table 5 of this document.

REQUEST FROM THE GOVERNMENT OF ITALY

Introduction

42. Table 6 presents a summary of the request for bilateral co-operation from the Government of Italy. The value of this request (US \$152,550) does exceed 20 per cent of Italy's contribution for 2009 (US \$1,644,329).

Table 6

SUBMISSION FROM THE GOVERNMENT OF ITALY AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan for CFCs (second tranche)	Senegal	135,000	(1)
Agency Fee		17,550	
TOTAL		152,550	

(1) UNEP/OzL.Pro/ExCom/57/51

SENEGAL: Terminal phase-out management plan for CFCs (second tranche) (US \$135,000)

43. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/57/51.

GENERAL RECOMMENDATION

44. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 57th Meeting as follows:

- (a) US \$99,440 (including agency fees) against the balance of Canada's bilateral contribution for 2009;
- (b) US \$90,965 (including agency fees) against the balance of the Czech Republic's bilateral contribution for 2009;
- (c) US \$202,367 (including agency fees) against the balance of France's bilateral contribution for 2009;
- (d) US \$1,748,779 (including agency fees) against the balance of Germany's bilateral contribution in 2009;
- (e) US \$152,550 (including agency fees) against the balance of Italy's bilateral contribution in 2009.
