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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

REPORT OF THE FIFTY- SEVENTH MEETING OF THE EXECUTIVE COMMITTEE

Introduction

1. The 57th 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), Montreal, Canada, from 30 March to 3 April 2009.
2. The Meeting was attended by representatives of the following countries, Members of the Executive Committee, in accordance with decision XX/22 of the Twentieth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Australia, Belgium, Germany, Japan, Romania, Sweden (Chair) and the United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Bolivia, China, Dominican Republic (Vice-Chair), Gabon, Georgia, Namibia and Yemen.
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), as implementing agency and Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. The Vice-President and Rapporteur of the Implementation Committee and the Co-Chair of the Technology and Economic Assessment Panel (TEAP) attended.
5. The Executive Secretary and the Deputy Executive Secretary of the Ozone Secretariat were also present.
6. Representatives of the Alliance for Responsible Atmospheric Policy and Greenpeace also attended as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The Meeting was opened at 10:00 a.m. on Monday, 30 March 2009, by the Chair, Mr. Husamuddin Ahmadzai (Sweden), who applauded the success of the replenishment negotiations, and stressed that, in the new triennium, the Executive Committee had been given the great responsibility of continuing its good work, particularly with regard to compliance with the 2010 CFC phase-out deadline for Article 5 countries and with expediting the accelerated phase-out of HCFCs.

8. The Committee would be asked to consider approval of a number of tranches for terminal phase-out management plans (TPMPs) and national phase-out plans (NPPs), projects that would be crucial for final CFC phase-out. The Chair encouraged the agencies to work very closely with the countries concerned to speed up implementation of such projects. He also recalled that the Committee would be looking carefully at countries' compliance status and at implementation delays, especially in light of the 2010 phase-out.

9. A number of policy issues that would affect project development and subsequent project approvals were to be considered at the Meeting. They related mainly to HCFCs, for example: prioritization of HCFC phase-out technologies to minimize other impacts on the environment; second-stage conversions and determination of the cut-off date for installation of HCFC-based manufacturing equipment; funding for institutional strengthening (IS) projects beyond 2010 in light of the new challenges and additional responsibilities brought about by the Parties' decision on accelerated HCFC phase-out; and the HCFC production sector, which would necessitate the reconvening of the Production Sector Sub-group. Financial matters were also high on the agenda, with the Committee turning its attention to financial planning, which was particularly pertinent given the current financial climate, and to a facility for ensuring additional income from loans and other sources.

10. The Committee would also consider a report, requested at its 56th Meeting, which examined the existing terms of reference of the current monitoring and evaluation function under the Multilateral Fund and how it compared with the evaluation functions in similar institutions. The Chair hoped that the conclusions drawn from the report would assist in the process of filling the post of the Senior Monitoring and Evaluation Officer (SMEO), which was currently filled on "interim" basis only.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

11. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/57/1:

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) Financial planning for 2009-2011.
6. Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol.
7. 2009-2011 business plans:
- (a) Consolidated business plan of the Multilateral Fund and consideration of the updated model rolling three-year phase-out plan for 2009-2011;
 - (b) Business plans of the implementing agencies:
 - (i) Bilateral agencies;
 - (ii) UNDP;
 - (iii) UNEP;
 - (iv) UNIDO;
 - (v) World Bank.
8. Programme implementation:
- (a) Monitoring and evaluation: Report on the existing terms of reference and how the evaluation functions in similar institutions are organized and implemented (decision 56/8(d));
 - (b) Annual tranche submission delays;
 - (c) Report on implementation of approved projects with specific reporting requirements.
9. Project proposals:
- (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) Work programmes:
 - (i) 2009 work programme of UNDP;
 - (ii) 2009 work programme of UNEP;
 - (iii) 2009 work programme of UNIDO;
 - (iv) 2009 work programme of the World Bank;
 - (d) Investment projects.
10. Country programmes.

11. Cost considerations surrounding the financing of HCFC phase-out (decisions 55/43(h) and 56/65):
 - (a) Prioritization of HCFC phase-out technologies to minimize other impacts on the environment;
 - (b) Second-stage conversions and determination of the cut-off date for installation of HCFC-based manufacturing equipment.
12. Production sector:
 - (a) Further elaboration and analysis of issues pertaining to the phase-out of the HCFC production sector (decision 56/64(a) and (b));
 - (b) Summary of information publicly available on relevant elements of the operation of the Clean Development Mechanism and the amounts of HCFC-22 production available for credits;
 - (c) Report of the Production Sector Sub-group.
13. Institutional strengthening beyond 2010: funding and levels (decision 53/39).
14. Facility for additional income from loans and other sources (decision 55/2).
15. Reconciliation of the 2006 and 2007 accounts (decision 56/67).
16. Operation of the Executive Committee (decision 54/43).
17. Report on the request from the Twentieth Meeting of the Parties to the Montreal Protocol on the status of agreements to convert metered-dose inhaler manufacturing facilities in Article 5 countries and implementation of approved projects (decision XX/4).
18. Other matters.
19. Adoption of the report.
20. Closure of the Meeting.

12. The Chief Officer proposed the inclusion of four additional items under agenda item 18, "Other matters": the report of the Executive Committee to the Open-ended Working Group on the progress made in reducing emissions of controlled substances from process agent uses (follow-up to decision XVII/6 of the Seventeenth Meeting of the Parties); the Fund Secretariat's pending response to the Ozone Secretariat regarding the environmentally sound management of ODS banks, pursuant to decision XX/7 of the Twentieth Meeting of the Parties; the workshop for a dialogue on high global-warming potential (GWP) alternatives to ODS, as per decision XX/8 of the Twentieth Meeting of the Parties; and confirmation of the dates and venues of the 58th and 59th Meetings of the Executive Committee.

(b) Organization of work

13. The representative of Germany pointed out that climate-related issues arose under several different agenda items, such as items 9(c) (Work programmes), 11(a) (Prioritization of HCFC phase-out technologies to minimize other impacts on the environment), and 14 (Facility for additional income from loans and other sources). He therefore proposed that climate-related elements be extracted from those agenda items and be dealt with all together.

14. With regard to its work on HCFC production-related matters, the Executive Committee agreed to reconstitute the Production Sector Sub-group, composed of Bolivia, China, the Dominican Republic, Georgia and Namibia, representing Article 5 countries, and Australia (facilitator), Germany, Japan, Sweden, and the United States of America, representing non-Article 5 countries.

15. The Executive Committee agreed to follow its customary procedures in relation to the organization of work.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

16. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/57/2, containing a report on the activities of the Secretariat since the 56th Meeting of the Executive Committee.

17. She said that, in response to decision 56/8(b) related to the selection of an interim SMEO, the Secretariat had drawn up a short-list of five candidates in consultation with the outgoing SMEO, which had then been submitted to the Chair and Vice-Chair of the Executive Committee for consideration. On the basis of his evaluation experience and knowledge of the Fund, Mr. Carlos Canales had been selected to fill the position of interim SMEO for a period of six months. The Chief Officer also informed the Committee that the classification exercise for the new D1 and two new P3-level positions had been completed. The D1, two P3 and two GS6 positions had been launched on the United Nations Galaxy recruitment website, and posting of the remaining P3 position was imminent.

18. As a follow-up to decision 55/43 concerning the issue of identifying sources of co-financing that might be compatible with and suitable for addressing additional climate change benefits achievable through Multilateral Fund ozone activities, the Secretariat had received positive responses from several more entities. The Chief Officer hoped that the Meeting's discussions on the facility for additional income would assist the Secretariat in preparing replies to all the institutions and in developing a way forward.

19. The Secretariat had prepared over 60 documents for the meeting, including 39 related to funding projects in specific Article 5 countries. A total of 227 funding requests had been received by the Secretariat, of which 200 were for consideration by the Committee following review by the Secretariat, including 59 projects and activities for individual consideration. Among the documents of particular importance were those on: financial and business planning for the 2009-2011 triennium; four documents on issues related to HCFC phase-out; a paper on potential uses of the facility for additional income from loans and other sources in line with decision 55/2; and a review of funding arrangements for IS and capacity building.

20. There had been communication between the Secretariat and several other multilateral environmental agreement (MEA) secretariats and organizations. An invitation had been received from the Secretariat of the Strategic Approach to International Chemicals Management (SAICM) for the Fund Secretariat to submit a report to the second session of the International Conference on Chemical Management (ICCM2), to be held in Geneva from 11 to 15 May 2009, on activities supported by the Multilateral Fund that contributed to the objectives of SAICM, including an update on any consideration given by the Parties to the Protocol on engagement in the initiative. The Chief Officer sought guidance from the Committee on responding to the request from the SAICM Secretariat.

21. The Chief Officer and various professional staff had also attended a number of meetings, as set out in document UNEP/OzL.Pro/ExCom/57/2, including the United Nations Climate Change conference in Poznan, Poland, meetings on HCFC phase-out with representatives of the senior management of UNDP in New York and UNIDO in Vienna, and the first inception workshop for the preparation of HCFC phase-out management plans (HPMPs), held in Malaysia. A Senior Programme Officer had participated as a resource person in an evaluation mission to Turkey on the CFC chiller sector programme being implemented by the World Bank.

22. Finally, the Chief Officer explained that the Government of Egypt would be unable to cover the cost differential for staff travel and conference services related to hosting the 59th Executive Committee Meeting in Sharm El Sheikh back-to-back with the other Montreal Protocol meetings. An additional estimated amount of US \$250,000 would be required to hold the Meeting in Sharm El Sheikh from 10 to 14 November 2009. She said, however, that alternative arrangements could also be made for the Committee to meet in Montreal either from 16 to 20 November or from 23 to 27 November, to allow time for delegates to travel back from the Meeting of the Parties. She requested guidance from Members in that respect under agenda item 18 "Other matters".

23. Several Members thanked the Secretariat for its sterling work. One stressed the importance of keeping up the good work, especially given the difficulties currently faced by industry as a result of the financial crisis. In the ensuing discussion, a number of points were made regarding the Multilateral Fund's report to ICCM2. It was stated that, in response to a request for information from the Chief Officer, the Ozone Secretariat had informed the Fund Secretariat that, in the absence of a decision by the Meeting of the Parties to the Montreal Protocol, no steps had been taken to follow up on the SAICM's request. While information on the Multilateral Fund's experience in the sound management of chemicals could be seen as useful input to the SAICM process, some concerns were raised. One involved the time and effort required to prepare a report, given the Multilateral Fund's numerous other priorities, and the rapidly approaching May deadline for the ICCM2 meeting. It was pointed out that a letter had been sent to the Secretariat of the Rotterdam Convention in response to a similar request, and it was proposed that it be used, *mutatis mutandis*, as the basis for replying to the SAICM request. The content of the report was also an issue, as it might raise expectations regarding the Multilateral Fund's involvement in SAICM. It was therefore very important to state clearly that the Fund's activities were firmly circumscribed by Article 10 of the Protocol, and aimed solely at ensuring compliance with the objectives of the Protocol. The Chief Officer confirmed that her intent had been to present a factual report on activities linked to sound management of chemicals, and to emphasize that the Multilateral Fund's activities were subject to Article 10 of the Protocol.

24. In the interest of ensuring a smooth transition in chairmanship, it was suggested that the Chair or Vice-Chair might attend one or other of the inter-agency coordination meetings between the Fund Secretariat and the implementing agencies. In response, the Chief Officer pointed out that there was one inter-agency coordination meeting held intersessionally, in January of each year, for the purpose of preparing the business plans, and participation in that Meeting by the incoming Chair or Vice-Chair would have budgetary implications. Other inter-agency coordination meetings were occasionally held on an ad hoc basis in the margins of Executive Committee Meetings. In response to a question about whether a precedent was being set, she explained that representatives of the Ozone Secretariat had been invited to attend in the past when there were specific compliance-related issues, particularly in recent years with the deadlines for compliance measures fast approaching. One Member expressed concern that there had not been sufficient time to consider the issue more holistically in advance of the meeting, but suggested that the Vice-Chair could perhaps attend meetings prior to commencement of his tenure.

25. The Chair suggested that one simple solution that would have no budgetary implications would be for the Chair and Vice-Chair to attend coordination meetings held in the margins of Executive Committee Meetings and, at the last Meeting each year, if it was felt that the incoming Vice-Chair would benefit from attending the regular inter-agency coordinating meeting in January, the matter could be brought to the attention of the Executive Committee, which would have to approve the travel costs involved.

26. Following the discussion, the Executive Committee decided:

- (a) To take note, with appreciation, of the report on Secretariat activities;
- (b) To request the Secretariat:

- (i) To prepare a report for the second session of the International Conference on Chemical Management (ICCM2), taking into account the guidance provided at the 57th Meeting and the letter sent to the Secretariat of the Rotterdam Convention;
- (ii) To circulate the draft report to interested Executive Committee Members and the Chair, by mid-April 2009 for review, before sending it to the Strategic Approach to International Chemicals Management Secretariat in time for the May meeting;
- (c) To request the Chief Officer to report back to the Executive Committee at its 58th Meeting on her attendance at ICCM2; and
- (d) To note that the Chair might attend, as an observer, coordination meetings held in the margins of the Executive Committee Meetings. At the last Meeting of the year, if it was felt that the incoming Vice-Chair would benefit from continuity measures, the incumbent Chair could bring the matter to the attention of the Executive Committee.

(Decision 57/1)

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

27. The Treasurer introduced the report on the status of the Fund (UNEP/OzL.Pro/ExCom/57/3) as at 27 February 2009, as recorded by the Treasurer. At that date, the Fund's balance stood at US \$59,761,456 after taking into account all the funds approved by the Executive Committee up to and including the 56th Meeting.

28. The Treasurer indicated that, since the publication of the document in February 2009, he had received additional contributions amounting to US \$1,693,894 and nine Parties had paid their 2009 pledges either in full or in part, while six Parties had made payments towards their pre-2009 pledges. Since the 56th Meeting of the Executive Committee, the Fund had lost approximately US \$1,000,000 on the fixed-exchange-rate mechanism (FERM). The total exchange gain on the FERM since its inception was US \$37,557,537. Total income including cash payments, promissory notes, bilateral cooperation assistance, interest earned and miscellaneous income amounted to US \$2,485,807,598. The balance of the Fund as of the 57th Meeting stood at US \$61,451,861, of which US \$33,173,579 were in cash and US \$28,278,282 in promissory notes. The Treasurer concluded by asking the Executive Committee to take note of paragraph 6 of the report contained in document UNEP/OzL.Pro/ExCom/57/3 on classifying the amount withheld by the Government of the United States of America as "Disputed contributions".

29. After the representative of Germany had pointed out that the Government of France had opted for the FERM, but that had not been reflected in Annex I to document UNEP/OzL.Pro/ExCom/57/3, the Chair said that the necessary modification would be made.

30. The Executive Committee decided:

- (a) To note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in Annex I to the present report;
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible;
- (c) To urge Parties eligible to use the fixed-exchange-rate mechanism (FERM) to advise the Treasurer of their intention to do so before the 58th Meeting of the Executive Committee; and

- (d) To request the Treasurer to add to his report to the 58th Meeting of the Executive Committee the list of Parties that had opted to use the FERM in making their contributions to the Fund during the replenishment period 2009-2011.

(Decision 57/2)

AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

(a) Report on balances and availability of resources

31. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/4 containing a summary of the financial adjustments indicated by the bilateral and implementing agencies and agreed by the Fund Secretariat. It also included statistical data from projects with balances that had been held for more than the allowable 12-month period following project completion and indicated the level of resources available at the 57th Meeting of the Executive Committee.

32. The document indicated that the implementing agencies had to return a total of US \$449,113 to the 57th Meeting, together with a total of US \$34,800 in agency support costs. In addition, a total of US \$1,028,355 would be returned to the 57th Meeting by bilateral agencies, including support costs of US \$55,856. The representative of the Secretariat said that, following adjustment for the return of additional funds by the Government of Japan as a result of reduced programme support costs provided for UNIDO as the implementing agency for the bilateral project, plus the fact that the return from the Government of Australia had already been recorded as a follow-up to decision 54/3, the return on balances from bilateral agencies amounted to US \$1,005,112 rather than US \$1,028,355 as indicated in the document. An updated figure of US \$46,728 (rather than US \$55,856) was presented for return of support costs, and US \$432,849 (rather than US \$422,864) for interest as a result of additional interest accrued reported by UNIDO on the Japan bilateral project.

33. The Executive Committee decided:

- (a) To note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/57/4;
- (b) To note the net level of funds being returned by the implementing agencies at the 57th Meeting amounting to US \$449,113 against projects, which included the return of US \$41,294 from UNDP, US \$364,421 from UNEP, and US \$43,398 from UNIDO;
- (c) To note the net level of support costs being returned by the implementing agencies at the 57th Meeting amounting to US \$34,800 against projects, which included the return of US \$5,042 from UNDP, US \$25,487 from UNEP and US \$4,271 from UNIDO;
- (d) To note the net level of funding and support costs being returned by the bilateral agencies to the 57th Meeting amounting to US \$1,005,112 against projects;
- (e) To request the Treasurer:
- (i) To reduce bilateral funding by the amount of US \$448,876 for France which includes a balance of US \$25,000 resulting from the applicable project support cost rate for UNIDO; US \$23,798 for Italy; and US \$57,965 for Japan; as reflected in Annex II of document UNEP/OzL.Pro/ExCom/57/4;
- (ii) To record US \$432,849 in interest accrued and US \$41,624 in exchange gain as miscellaneous income to the Fund on receipt of equivalent amounts in cash;

- (f) To note that France had transferred the project on ODS phase-out in 50 existing centrifugal chiller units in Côte d'Ivoire (IVC/REF/37/INV/17) to UNIDO at the net level of funds of US \$1,000,000 and support costs of US \$75,000;
- (g) To note that implementing agencies had balances totalling US \$6,635,720 excluding support costs from projects completed over two years previously, which included US \$481,669 from UNDP, US \$2,158,709 from UNEP, US \$857,335 from UNIDO, and US \$3,138,007 from the World Bank; and
- (h) To note that bilateral agencies had balances totalling US \$289,465 excluding support costs from projects completed over two years previously, which included US \$165,898 from France, US \$43,947 from Denmark, US \$80,225 from Finland, and minus US \$605 from Italy.

(Decision 57/3)

(b) Financial planning for 2009-2011

34. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/5 on financial planning in light of decision XX/10 of the Twentieth Meeting of the Parties on the replenishment of the Fund, which had established a budget of US \$490 million for the 2009-2011 triennium. He indicated that US \$340 million were available for new commitments. Bilateral agencies could request up to US \$80 million of the US \$490 million budget, although to date only some US \$4 million had been committed. In order to ensure that the Fund could accommodate all bilateral activities, the Executive Committee was being asked to request bilateral agencies to submit business plans for the triennium. With regard to cash flow, 85 per cent of pledges had been paid in the year they were due. There had been a sufficient level of resources available in cash to fund all activities approved since the 48th Meeting.

35. The US \$73.9 million carry-over from the 2006-2008 triennium included US \$43 million in arrears, an amount that was expected to be paid in 2009. Moreover, the US \$16.1 million in interest forecast for the triennium largely depended on interest rates and balances of funds collecting interest. There might, however, be a future cash flow issue as a result of possible losses caused by the FERM. The document proposed an allocation of US \$128 million for 2009, US \$170 million for 2010 and US \$192 million for 2011.

36. During the ensuing discussion, it was noted that the proposed recommendation (g) in paragraph 25 of the document, which reflected the suggested resource allocation, was linked to the larger issue of the work programmes and merited further discussion. Consequently, the budgetary amounts in the recommendation should be revisited later in the meeting once decisions on work programmes had been taken. Likewise, it was suggested that the specific budgetary amount in proposed recommendation (i) in paragraph 25 of the same document with respect to multi-year agreements (MYAs) be removed pending further discussion at the present Meeting.

37. After having considered the business plans under agenda item 7 (see paragraphs 48 to 91) below, the Executive Committee decided to modify recommendations (g) and (i). In response to a question on the amended recommendation (g), the representative of the Secretariat indicated that it did not include an automatic method for reallocating unused or over-budgeted funds. Therefore, the resource allocation would have to be reviewed at the first Meeting in 2010.

38. In discussing recommendation (b) in paragraph 25 of the document on the cost of individual project proposals in the original cost estimate in the business plans, there was agreement that wording would need to be added to clarify that agencies were being asked to "attempt to remain" within specified estimates.

39. In connection with proposed recommendation (f) in paragraph 25 of the document, an indication of which countries with economies in transition had unpaid dues was requested, together with a description of what was being done to address the situation. The representative of the Secretariat said that in the past the Executive Committee had taken decisions urging countries with economies in transition that had not previously paid to make their contributions to the Multilateral Fund. Moreover, the Chief Officer had made several efforts to encourage those countries that had not paid to make their contributions. Only two countries were in the position at never having made payments while all other countries with economies in transition had started to do so.

40. Following further discussion, the Executive Committee decided:

- (a) To note the report on financial planning for the 2009-2011 triennium as contained in document UNEP/OzL.Pro/ExCom/57/5;
- (b) To request that bilateral agencies specify the costs of planned activities in their annual business plans and attempt to remain within the estimates specified when submitting the relevant projects during the 2009-2011 triennium;
- (c) To urge contributing Parties to make payments no later than 1 June each year in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties so as to enable full commitment of the US \$490 million budget during the 2009-2011 triennium, as provided in paragraph 3 of decision XX/10 of the Twentieth Meeting of the Parties;
- (d) To urge those contributing Parties with arrears from the 2006-2008 triennium to pay them during 2009 as they accounted for US \$43.2 million of the US \$73.9 million carry-over from the 2006-2008 triennium;
- (e) To request those contributing Parties that had not provided for accelerated encashment of promissory notes to consider allowing an accelerated encashment schedule or adjusting their encashment schedule for future promissory notes so that they corresponded to the year in which the contributions were due;
- (f) To urge countries with economies in transition that had never paid to make their contributions to the Multilateral Fund for the 2009-2011 triennium;
- (g) To adopt a resource allocation of US \$106 million in 2009, US \$181 million in 2010, and US \$203 million in 2011;
- (h) To consider the availability of cash flow for the 2011 budget at the first Meeting of the Executive Committee in 2011 in light of the collection of interest, the payment of contributions from countries that had not previously paid, and any losses due to non-payment or the fixed-exchange-rate mechanism; and
- (i) In the context of business planning, to monitor the impact of the allocation of annual tranche funding in multi-year agreements on the new indicative allocation of US \$340.6 million in the budget for the 2009-2011 triennium to enable as many HCFC phase-out plans for as many countries as possible to be accommodated during the triennium.

(Decision 57/4)

AGENDA ITEM 6: STATUS OF IMPLEMENTATION OF DELAYED PROJECTS AND PROSPECTS OF ARTICLE 5 COUNTRIES IN ACHIEVING COMPLIANCE WITH THE NEXT CONTROL MEASURES OF THE MONTREAL PROTOCOL

41. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/6, which contained five parts: Part I had been prepared in response to decisions 32/76(b) and 46/4 requesting the Secretariat to prepare an update on the status of compliance of Article 5 countries for each Meeting of the Executive Committee; Part II contained information on those Article 5 countries subject to decisions by the Parties and recommendations of the Implementation Committee on compliance; Part III presented data on the implementation of country programmes; Part IV gave details of the progress made in achieving compliance, including information on projects with implementation delays; and Part V addressed the report on the usefulness of and the level of effort associated with preparing detailed assessments of the risk of non-compliance prepared pursuant to decision 53/4(b).

42. Concern was expressed at the difficulties encountered when using the web-based system to submit information on the implementation of country programmes and at the decline in the price of CFC-12 in 23 countries, as indicated in Table 11 of the document. It was requested that the data relating to CFC metered-dose inhalers (MDIs) contained in the document also be transmitted to the TEAP. The Secretariat confirmed that this had already been done.

43. The usefulness of the effort associated with preparing assessments of the risk of non-compliance was questioned. It was pointed out that, as the information on non-compliance was taken from that provided by the Parties themselves, they were best placed to assess any risk of non-compliance and could be encouraged to make use of the methodologies developed by the Secretariat.

44. It was noted that Ecuador was still listed as a country whose consumption exceeded the methyl bromide (MB) freeze, although information had been provided showing that Ecuador was in compliance with its obligations.

45. The Secretariat explained that the recovery and recycling project in the United Republic of Tanzania had been recommended for cancellation as no progress had been made since 2006. The project was not being cancelled by mutual consent as there had been no response from the Government to requests from Germany, as the bilateral agency, for further information. One member suggested that it would be more appropriate to inform the Government that the project would be subject to cancellation at the 58th Meeting unless information was received showing that further progress had been made. Prior to the closure of the Meeting, however, information was received that the Government of the United Republic of Tanzania considered the project to have been completed.

46. The representative of the Secretariat advised that, pending full implementation of the web-based reporting system, the Secretariat preferred to receive hard copies of submissions on the implementation of country programmes. With regard to Ecuador, he said that the information on compliance with its freeze targets had been taken from the latest Article 7 data received by the Secretariat.

47. Following the discussion, the Executive Committee decided:

(a) To note:

(i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Germany, Japan, Portugal, Spain and the four implementing agencies addressed in document UNEP/OzL.Pro/ExCom/57/6;

- (ii) The completion of 13 of the 33 projects listed that had been considered as projects with implementation delays;
 - (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments of progress or some progress and report to and notify Governments and implementing agencies as required;
 - (iv) With appreciation, the comments received from 53 countries on the risk indicators;
 - (v) With appreciation, that thus far 92 countries had indicated their confidence in complying with the control measures of the Montreal Protocol after having reviewed the risk assessment;
- (b) To encourage interested Article 5 Parties to conduct their own compliance risk assessment making full use of the methodology and indicators developed by the Secretariat;
 - (c) To consider further the role of the Secretariat with respect to the assessment of the risks of non-compliance in the context of work programmes on monitoring and evaluation;
 - (d) To request additional status reports on the projects listed in Annex II to the present report;
 - (e) To note the completion of the Recovery and recycling of CFCs project (URT/REF/36/TAS/14), that had been considered for cancellation, and to request the Government of Germany to proceed with the submission of the project completion report;
 - (f) To cancel the refrigeration project in the Islamic Republic of Iran (IRA/FOA/28/INV/50) as the milestone set for the company at the 56th Meeting had not been met.

(Decision 57/5)

AGENDA ITEM 7: 2009-2011 BUSINESS PLANS

(a) Consolidated business plan of the Multilateral Fund and consideration of the updated model rolling three-year phase-out plan for 2009-2011

48. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/7 containing a consolidation of the bilateral and implementing agencies' 2009-2011 business plans. The proposed activities exceeded the budget by US \$208 million, one contributory factor being the uncertainty regarding the cost of HCFC activities and the lack of guidelines to establish more accurate estimates. Furthermore, it was necessary for Executive Committee Members to consider which of the proposed demonstration projects should be included in the business plans.

49. In relation to HCFC phase-out management plans (HPMPs), the representative of the Secretariat pointed out that some investment activities might be submitted well in advance of an HPMP, and suggested that such projects should be submitted in the context of draft HPMPs. Additionally, both bilateral and implementing agencies were urged to ensure that the final phase-out of 8,836 ODP tonnes was achieved in 2009, the final year for CFC, halon and CTC consumption. The representative of the Secretariat also made oral corrections to the tables in the document: in Table 2, the technology being proposed by UNIDO for the HCFC foam demonstration project in Indonesia utilized domestic cyclopentane; and in Table 3, the HCFC refrigeration demonstration projects being proposed by UNDP

for Uruguay should be included in the list of projects.

50. In the discussion concerning the US \$208 million budget overrun, it was pointed out that the proposed level of funding was problematic as it could give rise to expectations that might not be met in the future. It was observed that the proposals might mean that some Article 5 countries might not receive the funding required to meet the 2013 and 2015 HCFC control measures.

51. Several Members said that it was important to return to a compliance-oriented model when addressing the phase-out of HCFCs in order to prioritize projects. As only a limited number of HCFC projects had been proposed for 2009, the Secretariat could be requested to develop a strategic framework and compliance-oriented model for resource allocation, based on existing models, to provide guidance to the implementing agencies.

52. Members then discussed the need for criteria to determine which demonstration projects to retain in the business plans. HCFC-related demonstration projects were seen as more pressing, given their phase-out implications. Several Members said that the demonstration projects varied greatly in quality and that it was not clear how some projects had been selected for funding. It was agreed that there was a need for further guidance on that issue and that a contact group should be set up to examine criteria for including HCFC foam, refrigeration and solvent demonstration projects in the implementing agencies' business plans.

53. At a subsequent session, the Meeting heard a report from Germany on the work of the group on criteria for the prioritization of HCFC demonstration projects. The group had established the following criteria for selecting projects: their geographical spread; the extent to which they contributed to ODP phase-out; specification of an alternative technology; the proven or unproven nature of alternative technologies; and whether co-financing for a project was also available. To assist with discussions under the present agenda item, the Secretariat was asked to present a matrix for the proposed projects according to the criteria developed.

54. The Executive Committee considered the matrix presented, noting which projects had been removed. One Member was of the view that the final list lacked balance with regard to geographical spread and the range of technologies being considered. He suggested that the implementing agencies might be asked to propose further demonstration projects at the 58th Meeting to derive maximum benefit from the exercise. In response, the representative of UNIDO requested permission to reclassify as investment projects those demonstration projects that also assisted compliance, and resubmit them taking into account the requirement to link such projects to future HPMPs. The representative of UNDP expressed the hope that the demonstration projects removed from the agency's business plan could be considered by the Executive Committee at its 58th Meeting once all the information requested had been provided.

55. In discussing ODS disposal demonstration projects, Members stressed the importance of establishing criteria for including such projects in the business plans. Reference was made to decision XX/7 of the Twentieth Meeting of the Parties, which provided that pilot projects could cover the collection, transportation, storage and destruction of ODS, with a focus on assembled stocks with high net GWP, and in a representative sample of regionally diverse Article 5 countries. Members also stressed that ODS disposal demonstration projects should be feasible, and should include methods of leveraging co-funding. It was also proposed that both the number of projects and the associated amounts should be capped. ODS disposal was recognized as being an important issue for Article 5 countries without the necessary facilities to destroy CFC stocks. Despite the need to move ahead, it was pointed out that a number of studies linked to ODS disposal were in progress, one by the Ozone Secretariat with a compilation of funding options for ODS destruction, and an upcoming study by the World Bank. Awaiting the results of those studies would lead to more enlightened decisions regarding which demonstration projects to include in business plans.

56. Following the discussion, a contact group was established to consider the issue further, with the representative of the Dominican Republic as facilitator. The contact group met a number of times, and reported back to the Executive Committee on the outcome of its deliberations. The implementing agencies had been asked to rank the ODS disposal projects in their business plans according to the criteria set out in decision XX/7 of the Twentieth Meeting of the Parties. The three top-ranked projects were: the ODS disposal project implemented by the World Bank in Indonesia, the ODS disposal project implemented by UNIDO in Mexico, and the ODS disposal project implemented by UNDP in Brazil. The remaining ODS disposal projects should be removed from the business plans. The contact group had also requested the Secretariat to draw on the comments made in the group to draft a fuller set of criteria for the selection of ODS disposal projects, and to submit a document containing guidelines based on those criteria to the 58th Meeting.

57. Following the report from the contact group, some Members raised concerns regarding the regional distribution of the three ODS disposal projects to be maintained in the business plans. In the interest of representing countries from other regions, the list of projects was increased to six, with the addition of the second project on the implementing agencies' ranked lists. Those projects were: the ODS disposal project proposed by the World Bank in the Philippines, the ODS disposal project proposed by UNIDO in Turkey, and the ODS disposal project proposed by UNDP in Ghana. With a limit of six projects, it was difficult to achieve equitable regional distribution. However, it was pointed out that, although the remaining ODS disposal projects were to be removed from the business plans, they would not be lost. They would be reflected in an annex to the Executive Committee's decision on the matter as projects that might be resubmitted at a later date, once the selection criteria had been finalized, together with explanations of the ODS disposal activities maintained in the business plans. One Member urged the implementing agencies to propose further ODS disposal projects, specifically with regional balance in mind.

58. One Member requested the implementing agencies to describe, for the record, how the six ODS disposal projects maintained in the business plans met the criteria set out in decision XX/7. The representative of Japan indicated that the ODS disposal project in its business plan had been exempted from the selection exercise as such projects had been maintained in previous business plans.

59. With respect to the submission of an HCFC phase-out investment project proposal before approval of the HPMP, the representative of the Secretariat stated that, in order to be in a position to provide the kind of information required by the Secretariat for consideration of the project, the country would have to consider how the investment project related to the overall plan, and how it fitted in with the overall strategy of the country to comply with HCFC control measures.

60. Several Members reiterated that understanding, recalling decision 54/39(d), which stated (i) that approval of investment projects should result in a phase-out of HCFCs to count against the consumption identified in the HPMP, and that no such projects could be approved after 2010 unless they were part of the HPMP; and (ii) that, if the individual project approach were used, the submission of the first project should provide an indication of how the demonstration projects related to the HPMP and an indication of when the HPMP would be submitted. Another Member stressed that it was not the submission of the HPMP *per se* that was important, but rather the establishment of a starting point for aggregate reductions in HCFC consumption in order to ensure that the investment project made a real contribution to phase-out.

61. Following the discussion, the Executive Committee decided:

(a) To note:

(i) The consolidated 2009-2011 business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/57/7;

- (ii) With concern that the amounts in the business plans exceeded the budget for the triennium owing largely to the uncertainty in the costing of HCFC activities;
- (b) That requests for HCFC investment projects and sector plans should be consistent with the requirements of decision 54/39 and provide an indication of how those investment projects related to the HPMP and an indication of when the HPMP would be submitted;
- (c) That the value of annual tranches for HCFC multi-year agreement activities should be considered in HPMP proposals in the light of budgetary restrictions;
- (d) To urge bilateral and implementing agencies to continue their efforts to implement approved projects to ensure the expected phase-out of 8,836 ODP tonnes in 2009;
- (e) To request the Secretariat to prepare, for the 59th Meeting, a strategic analysis to assist the Executive Committee in providing guidance to the bilateral and implementing agencies on how to equitably allocate, in their 2010 and 2011 business plans, funds for all eligible Article 5 countries to enable them to comply with the HCFC 2013 freeze and the 2015 10 per cent reduction, within the limits of available resources. The strategic analysis should take into consideration any decisions on HCFC costs and funding eligibility taken by the Executive Committee prior to the 59th Meeting, and present options on how funding could be allocated, taking into account countries' total HCFC consumption and the sectoral distribution of that consumption;
- (f) To remove from the implementing agencies' business plans:
 - (i) All metered-dose inhaler strategies;
 - (ii) All HCFC production components;
 - (iii) All HCFC foam demonstration projects except:

Country	Agency	Sector / Sub-sector	Total value of demonstration project (US \$)	Total ODS (ODP tonnes)	Project preparation (US \$000)
Brazil	UNDP	Validation of methylal in foams	499,000	0.0	0
China	World Bank	Demonstration of pre-blended hydrocarbon polyol for foam system house	1,000,000*	60.0	86
China	World Bank	Use of hydrocarbon blowing agents in the insulation foam for solar energy water heaters	840,000	20.0	32
China	World Bank	Replace HCFC-141b with liquid carbon dioxide in spray foam applications	323,000	20.0	32
Egypt	UNDP	Validation of low cost hydrocarbons in foams	462,000	0.0	32

*An indicative cap on the value of this project was applied to the activity.

- (iv) All HCFC refrigeration demonstration projects, noting that the project in Jordan had been reclassified as an investment project;
- (v) All HCFC solvent demonstration projects;

(vi) All ODS disposal projects except:

Country	Agency	Project	Total value of demonstration project (US \$)	Total ODS (ODP tonnes)	Project preparation cost (US \$)
Brazil	UNDP	ODS disposal project	753,000	75	43,000
Ghana	UNDP	ODS disposal project	753,000	75	32,000
Indonesia	World Bank	ODS disposal project	0	60	54,000
Mexico	UNIDO	ODS disposal project	645,000	40	86,000
Philippines	World Bank	ODS disposal project	0	12	54,000
Turkey	UNIDO	ODS disposal project	538,000	14	65,000
Regional: Asia and the Pacific	Japan	ODS disposal demonstration project	200,000	Not available	Not specified

- (g) To include in Annex III to the present report the list of ODS disposal projects removed from the business plans and explanations of those maintained in the business plans with respect to selection criteria; and
- (h) To request the Secretariat to prepare a document containing criteria and guidelines for the selection of ODS disposal projects for consideration of the Committee at its 58th Meeting, taking into account decision XX/7 of the Twentieth Meeting of the Parties, and the contact group discussions on ODS disposal project selection held at the 57th Meeting;

(Decision 57/6)

(b) Business plans of the implementing agencies

(i) Bilateral agencies

62. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/8 presenting the business plans for bilateral agencies for the years 2009-2011. The Governments of Canada, the Czech Republic, France, Germany, Hungary, and Japan had provided information on their 2009-2011 planned bilateral activities. Data for the 2009 and 2010 annual tranches for Italy and Spain were also included.

63. He indicated that Canada's business plan included an extension of the activity for combating illegal trade in ODS in Latin America, which was not raised as an issue. Germany's 2009 business plan covered 18 activities valued at a total of US \$2,554,551, which was less than 20 per cent of Germany's pledged contribution for 2009, although Germany had exceeded the total value for its bilateral activities over the triennium. Germany was requesting additional funding for the HCFC servicing sector in India beyond the levels agreed in decision 56/16, stating that the amount it had received was insufficient to prepare activities in this sector. With regard to the activity for a regional refrigeration association for Eastern Europe and Central Asia included in Hungary's 2009 business plan, he pointed out that in the past the Executive Committee had decided not to fund a regional refrigeration association for the English-speaking Caribbean network. Finally, he said that Japan's 2009 business plan included ODS disposal activities.

64. The representative of Romania clarified that the Government of Romania had not officially entered into a joint project with the Government of Hungary, as indicated in paragraph 32 of the document under consideration.

65. After it had been pointed out that decision 56/16(j) on HPMPs in the servicing sector allowed the Secretariat to propose adjustments to the HCFC cost structure to the Executive Committee, the representative of the Secretariat said that, with respect to additional costs for the HPMP servicing sector, all costs had already been approved and the Secretariat had no reason to propose a change to a decision that had only been taken at the previous Meeting. As there had been no proposal from the Secretariat, it was suggested that the project presented by the Government of Germany should be removed.

66. One Member expressed support for the regional refrigeration association in Eastern Europe and Central Asia project, distinguishing it from the project in the Caribbean as it built on existing activities. Moreover, the current national refrigeration associations were weak and needed strengthening and cooperation at the regional level to ensure their sustainability. Other Members, however, noted that the Executive Committee had not funded any regional refrigeration association. All funding for the refrigeration servicing sector had been approved or would be approved through TPMPs and stand-alone projects were not eligible for funding.

67. Finally, with respect to Japan, it was confirmed that Japan's ODS disposal demonstration project should be maintained in its business plan and that Germany would be requested to provide ODS phase-out information for its business plan.

68. The Executive Committee decided:

- (a) To note with appreciation the 2009-2011 business plans on bilateral cooperation submitted by Canada, the Czech Republic, France, Germany, Hungary, and Japan as addressed in document UNEP/OzL.Pro/ExCom/57/8;
- (b) To note sub-paragraph (f)(iii) in decision 57/6 in connection with the HCFC foam demonstration project in Germany's business plan;
- (c) To request the Government of Germany to provide input on the amounts for ODS phase-out in Germany's business plan;
- (d) To remove:
 - (i) Additional project preparation for the refrigeration servicing sector in India in Germany's business plan;
 - (ii) The regional refrigeration association in Eastern Europe and Central Asia in Hungary's business plan.

(Decision 57/7)

(ii) UNDP

69. The representative of UNDP introduced the agency's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/9. She outlined the types of activities contained in the plan, then highlighted three areas of activity that were of particular importance to UNDP: HCFCs; ODS waste management/destruction; and resource mobilization for climate co-benefits.

70. She informed the Executive Committee that the Government of Thailand had requested UNDP to include in its business plan a project preparation request for investment activities in the refrigeration and

air-conditioning manufacturing sectors, however, the letter had arrived after the submission deadline. She also explained that the Governments of Egypt and Morocco had asked UNDP to remove their HCFC activities from its 2010-2011 business plan. The Government of Egypt had also asked UNDP to remove the ODS waste-management/destruction activity from the plan. Furthermore, the project for validation of low GWP HFC options in the foam sector in Argentina was being withdrawn at the country's request.

71. She concluded by expressing concern at the increasing level of information and detail expected of the implementing agencies in preparing their business plans. In her view, it had not only blurred the distinction between business plans and work programmes, but had also created unprecedented pressure in terms of time and effort. She proposed that agencies be asked to prepare and submit a more concise version of their business plan to the last Meeting of the year preceding commencement of the activities to allow more time to prepare the work programme for the coming year.

72. In the ensuing discussion, given the uncertainty about HCFC and ODS disposal matters and the current lack of guidance in that respect, it was suggested that the Executive Committee endorse only the activities planned for 2009 by each agency and that it note those planned for 2010 and 2011, with the intention of revisiting them at a later date.

73. Referring to the fact that the ODS phase-out resulting from UNDP's foam validation projects had not been included in the business plan, one Member welcomed UNDP's proposal to present that information separately in future submissions.

74. The Executive Committee decided:

- (a) To endorse the planned activities for 2009 in UNDP's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/9, and subject to the considerations contained in sub-paragraph (c) below, while noting that endorsement denoted neither approval of projects identified therein nor their funding levels;
- (b) To note the planned activities for 2010 and 2011 in UNDP's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/9, and subject to the considerations contained in sub-paragraph (c) below;
- (c) With regard to the 2009-2011 business plan as a whole:
 - (i) To note sub-paragraph (f) in decision 57/6 with regard to metered-dose inhaler transition strategies, HCFC foam demonstration projects, HCFC refrigeration demonstration projects, HCFC solvent demonstration projects, and ODS disposal activities;
 - (ii) To note the removal by UNDP of the following ODS disposal activities:

Egypt: ODS disposal in 2010 and 2011
Egypt: ODS disposal preparation in 2010 and 2011

- (iii) To include the following projects:

Country	Project	Total value in 2009 (US \$)	Total value in 2010 (US \$)	Total value in 2011 (US \$)	Total value after 2011 (US \$)	Total ODS (ODP tonnes)
Thailand	Project preparation for air-conditioning sectors, excluding air-to-air conditioning	118,000	0	0	0	0
Thailand	Air conditioning sector plan	0	5,000,000	5,000,000	10,000,000	200

- (d) To approve the performance indicators for UNDP as contained in Annex IV to the present report.

(Decision 57/8)

(iii) UNEP

75. The representative of UNEP summarized UNEP's 2009-2011 business plan. He highlighted issues related to a regional approach to HPMPs in the Pacific Island countries (PICs), regional MB projects in Africa, and activities to prevent illegal trade in ODS, which included the Green Customs Initiative and regional enforcement networks. With respect to the HPMPs for the PICs, he indicated that all Article 5 countries with similar consumption levels had been considered on an individual basis and that the PICs should also be considered on a country-by-country basis. With respect to the regional MB projects in Africa, he said that UNEP was awaiting the results of UNDP's regional project and would use them in its proposed activities. In presenting activities to prevent illegal trade, he recalled that the decision on the Green Customs initiative taken at the 52nd Meeting (decision 52/28) approved funding for one year. He noted that it was UNEP's intention to submit a funding proposal to the 59th Meeting of the Executive Committee, providing a commitment from partners on counterpart funding, an agreed action plan and a progress report on implementation.

76. Some Members expressed support for the regional workshops in Africa, emphasizing that they would be important for raising awareness of MB use in the region. Also, although the amounts used were low, it was the critical nature of that use and its affordability that made MB an important issue for the region. Moreover, such workshops could help identify alternatives.

77. Other Members considered that there was not sufficient justification to support the regional workshops in Africa on preventing new uses of MB and the activity should be removed from the business plan, particularly as it was not considered to be related to compliance. It could be removed pending further coordination, and an activity could be brought forward at a future date under the Compliance Assistance Programme (CAP) as an MB awareness-raising project. One Member said that it would be useful if the implementing agencies were to identify gaps with respect to MB use in Africa.

78. One Member reiterated the importance of finding alternatives to MB, particularly with respect to post-harvest uses, while another referred to the previous discussions, pointing out that several regional projects had been approved and were being implemented by different agencies. The Executive Committee had already asked for an analysis of those projects, and the identification of any gaps. Following further discussion, the Chair noted that there was no consensus on the issue, and therefore proposed that the project should be removed from the business plan at the present juncture.

79. With respect to the extension of the Green Customs initiative, the representative of UNEP indicated that the request for additional funding was planned for submission to the 59th Meeting of the Executive Committee and the progress report would be submitted together with the funding request.

80. It was stressed that it was important for UNEP to make countries aware that, with UNEP as the sole agency, there would be no capital equipment in the HPMPs unless some of the funds for project preparation provided to UNEP were transferred to other implementing agencies. There should be no misunderstanding on that issue in the future. It was suggested that UNEP's expenditure might be limited to 50 per cent of total project preparation costs until a partner had been identified or a letter received from the relevant government indicating that it understood the implications of the situation.

81. It was considered by some Members that a regional approach for HCFC phase-out would not be appropriate for the PICs because they were geographically dispersed, making travel and information

gathering a challenge. They had different capacities to handle projects and meet phase-out targets, and a country-by-country approach would be more effective for achieving compliance. Other Members, however, expressed support for a regional approach to HPMPs for the PICs given the potential for synergies among countries, the low level of ODP to be phased out and the fact that the countries would have similar activities.

82. Following additional consultations among interested delegations and UNEP, one Member proposed draft text limiting funding for HPMP preparation to US \$300,000 in the first instance and suggesting that UNEP consult further with the countries in the region and report back to the 58th Meeting of the Executive Committee. Another Member proposed additional text to indicate that, while HPMP preparation could be on a regional basis, implementation might still be undertaken individually.

83. The Executive Committee decided:

- (a) To endorse the planned activities for 2009 in UNEP's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/10, and subject to the consideration contained in sub-paragraph (c) below, while noting that endorsement denoted neither approval of projects identified therein nor their funding levels;
- (b) To note the planned activities for 2010 and 2011 in UNEP's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/10, and subject to the consideration contained in sub-paragraph (c) below;
- (c) With regard to the 2009-2011 business plan as a whole, to note sub-paragraph (f) in decision 57/6 with regard to HCFC refrigeration servicing demonstration project preparation;
- (d) To remove the regional workshops on preventing new uses of methyl bromide (MB) from UNEP's business plan and to request UNEP to work with other implementing agencies to identify gaps in regional MB projects in Africa for consideration in future business plan activities;
- (e) With respect to the individual HCFC phase-out management plan (HPMP) requests for Pacific Island countries:
 - (i) To limit the total funding available for HPMP preparation to US \$ 300,000 in the first instance;
 - (ii) To request UNEP to explore with those countries the opportunities for taking a regional approach to HPMP preparation, to consult further on a regional approach to implementation, and to report to the Executive Committee on the outcomes of those consultations at the 58th Meeting, if timing so permitted.
- (f) To limit UNEP to disbursing up to 50 per cent of approved project preparation costs for HPMP preparation until a partner agency capable of providing investment funding had been identified or a letter received from the country indicating that it was aware that it would not receive investment funding for its HPMP as UNEP could not provide such funding and that it would not ask UNEP to share its project preparation funds in order to develop investment components, including recovery and recycling equipment; and
- (g) To approve the 2009 performance indicators and targets for UNEP as contained in Annex V to the present report.

(Decision 57/9)

(iv) UNIDO

84. The representative of UNIDO introduced UNIDO's business plan for the years 2009-2011 (UNEP/OzL.Pro/ExCom/57/11), highlighting a number of issues. He said that UNIDO had submitted demonstration projects for HCFCs in order to assist the countries to achieve the 2013 and 2015 targets and he appealed to the Executive Committee to reconsider the issue of demonstration projects on the understanding that they would indeed help to achieve compliance. UNIDO was also implementing demonstration projects under the Stockholm Convention on Persistent Organic Pollutants and it would build on the lessons to be learned from those projects.

85. Several phase-out activities for the Government of Thailand had not been submitted in time for inclusion in the business plan but, as Thailand was a large consumer of HCFCs, UNIDO considered that they ought to be prepared as a matter of urgency. UNIDO would be reviewing the phase-out project in the solvent sector for the Democratic People's Republic of Korea and might need to submit a request concerning the project during 2009 following a report by a consultant on the technological difficulties related to chlorinated products.

86. In response to a query on how the amounts for the HCFC project for Jordan had been calculated, the representative of the Secretariat said that the Executive Committee had already approved project preparation but it would only receive detailed cost data when the project itself was submitted to the Secretariat. The Secretariat would then be better placed to provide information on how the amounts in question had been calculated.

87. Following the discussion, the Executive Committee decided:

- (a) To endorse the planned activities for 2009 in UNIDO's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/11, and subject to the considerations contained in sub-paragraph (c) below, while noting that endorsement denoted neither approval of projects identified therein nor their funding levels;
- (b) To note the planned activities for 2010 and 2011 in UNIDO's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/11, and subject to the considerations contained in sub-paragraph (c) below;
- (c) With regard to the 2009-2011 business plan as a whole:
 - (i) To note sub-paragraph (f) in decision 57/6 with regard to HCFC foam and refrigeration demonstration projects, HCFC production activities and ODS disposal activities;
 - (ii) To include the following projects:

Country	Project	Total value in 2009 (US \$)	Total value in 2010 (US \$)	Total value in 2011 (US \$)	Total value after 2011 (US \$)	Total ODS (ODP tonnes)
Thailand	Air-to-air conditioning investment project preparation	70,000	0	0	0	0
Thailand	HCFC investment project preparation for XPS foam sector plan	48,000	0	0	0	0
Thailand	HCFC investment project preparation for the solvent sector	22,000	0	0	0	0
Thailand	Investment project in the air-to-air conditioning sector	0	1,075,000	1,075,000	0	20
Thailand	Investment project in the XPS foam sector	0	860,000	860,000	0	10
Thailand	Investment project in the solvent sector	0	430,000	430,000	0	6

- (d) To approve the 2009 performance indicators and targets for UNIDO as contained in Annex VI to the present report.

(Decision 57/10)

(v) World Bank

88. The representative of the World Bank presented the World Bank's business plan for the years 2009-2011 (UNEP/OzL.Pro/ExCom/57/12), highlighting a number of issues. The World Bank indicated that it proposed to cooperate with UNEP in developing HPMPs for African countries with the objective of: exploring opportunities for ozone and climate co-benefits when phasing out HCFCs in African countries; and providing the World Bank's resource mobilization expertise to support development and financing of HCFC phase-out activities in those countries.

89. The World Bank was congratulated on its innovative approach linking ozone and climate co-benefits in the African region and for working together with UNEP in developing HPMPs.

90. With regard to the development and implementation of the pilot ODS disposal project for Mexico, the World Bank and UNIDO would work together, on the understanding that any funds approved for the World Bank would cover a study on how to leverage co-funding for ODS disposal and that the cost of the study could be deducted from future funds to be approved for the project depending on the maximum amount that might be agreed to by the Executive Committee as a limit for the funding of that ODS disposal project.

91. The Executive Committee decided:

- (a) To endorse the planned activities for 2009 in the World Bank's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/12, and subject to the considerations contained in sub-paragraph (c) below, while noting that endorsement denoted neither approval of projects identified therein nor their funding levels;
- (b) To note the planned activities for 2010 and 2011 in the World Bank's 2009-2011 business plan as contained in document UNEP/OzL.Pro/ExCom/57/12, and subject to the considerations contained in sub-paragraph (c) below;
- (c) With regard to the 2009-2011 business plan as a whole, to note sub-paragraph (f) in decision 57/6 with regard to HCFC production activities, HCFC foam demonstration projects and ODS disposal activities; and
- (d) To approve the performance indicators for the World Bank as contained in Annex VII to the present report.

(Decision 57/11)

AGENDA ITEM 8: PROGRAMME IMPLEMENTATION

(a) Monitoring and evaluation: Report on the existing terms of reference and how the evaluation functions in similar institutions are organized and implemented (decision 56/8(d))

92. The interim SMEO introduced document UNEP/OzL.Pro/ExCom/57/13 containing the consultant's report comparing the existing terms of reference for the position of SMEO and the operation of the evaluation function at the Multilateral Fund against positions at the evaluation offices of the Global Environment Facility (GEF), the International Fund for Agricultural Development (IFAD), the World

Bank Group (WBG), the Inter-American Development Bank (IDB) and UNDP. He explained that the consultant had gathered the information for the report by interviewing the officers in charge of evaluation and monitoring at those multilateral institutions, and by reviewing all relevant documentation. It had been found that the monitoring and evaluation function and procedure at the Multilateral Fund were quite similar to those at the other institutions as they all adhered to the same standards set by the United Nations Evaluation Group (UNEG), and were governed by the same principles of integrity, impartiality and independence. Finally, he indicated that the consultant had been invited to the Meeting to present the report's substance, findings and conclusions.

93. The consultant pointed out that his report raised a number of points for further reflection, one being the fact that the financing and human resources budget for the monitoring and evaluation position had not changed in ten years. Regardless of workload changes, there might be a need to adjust the budget to reflect inflation. The SMEO should be a high-ranking official, given the significant responsibilities involved, and should therefore be no lower than P5 level. The consultant also noted that the SMEO reported directly to the Executive Committee, and said that it might be worth considering the creation of a Monitoring and Evaluation Office headed by a high-ranking officer.

94. Following the consultant's presentation, the Members thanked the interim SMEO and the consultant for the report. The monitoring and evaluation function was seen as fundamental to ensuring high standards and success within the Multilateral Fund by providing lessons learned and making it possible to adjust and improve operations on an ongoing basis. Though the monitoring and evaluation function was seen as having been very efficient, there was a need to re-evaluate the 10 years of past activities to see whether any adjustments should be made to the terms of reference for the future incumbent. The importance of giving the monitoring and evaluation function a degree of independence was underlined and the idea that the position should be held by a high-ranking official was supported.

95. Several suggestions were made with regard to potential future activities for the post, particularly in the light of future challenges such as climate change and the risk of non-compliance. It was pointed out that renewed emphasis on monitoring might prove very beneficial. An auditing function was also proposed, with the SMEO examining the efficiency of institutional arrangements and measuring them against the standard at other international institutions. The SMEO's functions might also include analysis of the impact of evaluation activities on the overall work of the Fund. It was also suggested that the terms of reference be reviewed with regard to specific activities useful to HCFC phase-out, including climate-related impacts. Concerning the term of the SMEO's mandate, it was proposed to review the current situation, namely a two-year term renewable indefinitely, which had been highlighted by the consultant as being different from that in other international organizations. In relation to the need to adjust the budget, a comment was made to the effect that the Fund had always proven very creative in its allocation of resources to the monitoring and evaluation function.

96. Following the discussion, the Executive Committee decided:

- (a) To note:
 - (i) With appreciation, the Consultant's report contained in document UNEP/OzL.Pro/ExCom/57/13;
 - (ii) The express agreement of the Members of the Executive Committee to continue with the function of monitoring and evaluation at the current budget level and that the post should remain staffed by a highly qualified professional; and
- (b) To request the Secretariat to prepare and submit to the 58th Meeting of the Executive Committee, for approval, the terms of reference and workload for the Senior Monitoring and Evaluation Officer (SMEO), taking into consideration that the Members of the

Executive Committee reaffirmed that the position of SMEO should retain independence and was best situated in the Secretariat. The Secretariat should propose additional responsibilities to the workload and the terms of reference, including work on climate benefits, risk of non-compliance, auditing and increased emphasis on monitoring functions, and taking into account that the work should be relevant and helpful for HCFC phase-out. In addition, the terms of reference should include a provision for such a position to be fixed-term in line with the standard practice of other international funding institutions.

(Decision 57/12)

(b) Annual tranche submission delays

97. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/14, which addressed delays in the submission of tranches due at the 57th Meeting and included information provided by Canada, France, Germany, Italy, UNDP, UNEP, UNIDO, and the World Bank on the reasons for the delays. A total of 32 of the 90 annual tranches that had been due for submission to the 57th Meeting had not been submitted, and several tranches had been submitted but then withdrawn. He informed the Committee that, as the issue concerning China's CFC production sector verification report had been resolved, as reflected in the addendum to document UNEP/OzL.Pro/ExCom/57/29, there was no longer any need to reflect the CFC production sector phase-out project in the section on submission delays.

98. He also recalled that, by decision 50/14, the Executive Committee had decided not to include in Meeting documentation proposals for projects and activities that, by the submission deadline for each Meeting, did not contain the information or components needed for the submission to be considered for potential approval. Since that decision had been taken, the information in submissions had improved, and there seemed to be no reason to discontinue this procedure.

99. In response to a comment about the lack of clarity in the document in terms of the reasons for the delays, especially where more than one implementing agency was involved, the representative of the Secretariat said that implementing agencies would be asked to update the information contained in the document prior to any communication with governments about project delays.

100. Following the discussions, the Executive Committee decided:

- (a) To note the information on annual tranches of multi-year agreements (MYAs) submitted to the Secretariat by Canada, France, Germany, Italy, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/57/14);
- (b) To note that 58 of the 90 annual tranches of MYAs due for submission had been submitted on time to the 57th Meeting;
- (c) That letters should be sent to the relevant implementing agencies and applicable Article 5 countries regarding the annual tranches that had not been submitted to two or more consecutive Meetings, as indicated in Table 1 in Annex VIII to the present report, with the reasons stated for the delay, and to encourage implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches so that tranches due for submission could be presented to the 58th Meeting, provided that sufficient progress had been made;
- (d) That letters should be sent to the relevant bilateral and implementing agencies and applicable Article 5 countries regarding the annual tranches that had been due for

submission to the 57th Meeting, as indicated in Table 2 in Annex VIII to the present report, with the reasons stated for the delay, and to encourage bilateral and implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches so that tranches due for submission could be presented to the 58th Meeting, provided that sufficient progress had been made; and

- (e) To encourage:
- (i) The Government of India to submit its CFC production sector requests to the 58th Meeting;
 - (ii) The Government of Costa Rica to expedite the implementation of the existing tranches of its methyl bromide phase-out plan, in order to submit the next tranche for approval as soon as possible;
 - (iii) The Governments of Côte d'Ivoire and the Maldives to expedite the implementation of their terminal phase-out management plans in order to submit the 2009 annual tranches for review as soon as possible;
 - (iv) The Government of the Dominican Republic to submit a complete verification report of its national phase-out plan to the 58th Meeting.

(Decision 57/13)

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

101. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/15 consisting of progress reports on the implementation of the following projects: the NPP for Afghanistan; the refrigerant management plan (RMP) for Brunei Darussalam; the work plan for activities beyond 2009 for the polyurethane foam sector in China; the TPMP for Fiji; the complete phase-out of the use of MB in Jordan; the plan for terminal phase-out of CTC in the Democratic People's Republic of Korea; and the audit and verification report of the TPMP for Trinidad and Tobago. He indicated that the levels of relevant ODS consumption and production, where applicable, in all of those countries were, at a minimum, similar to or lower than data reported under Article 7 of the Montreal Protocol or the levels allowed under the agreements between the Government concerned and the Executive Committee.

102. It was noted that some of the language in the document describing activities in certain countries was vague. A question was also raised why the project document between UNDP and the Government of Brunei Darussalam had not yet been signed whereas the memorandum of understanding with UNEP had been signed two years previously. The representative of UNDP reported that the project document had been signed in February 2009.

103. The Executive Committee decided:

- (a) With regard to Afghanistan:
- (i) To take note of the progress report on the implementation of the 2008 work programme for the national CFC phase-out plan (NPP);
 - (ii) To note the verification report on 2007 CFC consumption; and
 - (iii) To approve the annual implementation programme for 2009-2010;

- (b) With regard to Brunei Darussalam, to take note of the progress report on the implementation of the refrigerant management plan and to approve the annual implementation plan for 2009;
- (c) With regard to China:
 - (i) To approve the work plan for the foam sector in China for 2010 to 2012; and
 - (ii) To provide China with the flexibility defined in Executive Committee decision 46/37;
- (d) With regard to Fiji:
 - (i) To take note of the progress report on the implementation of the terminal phase-out management plan (TPMP); and
 - (ii) To approve the annual implementation programme for 2009;
- (e) With regard to Jordan:
 - (i) To take note of the progress report on the implementation of the complete phase-out of the use of methyl bromide (MB);
 - (ii) To authorize the release of US \$499,930 to the Government of Germany for the fourth tranche of the project; and
 - (iii) To request the Government of Germany to continue monitoring the phase-out of MB in Jordan and to report back regularly to the Executive Committee;
- (f) With regard to the Democratic People's Republic of Korea:
 - (i) To note the progress report on the plan for terminal phase-out of CTC provided by UNIDO; and
 - (ii) To request UNIDO to present a financial report on all disbursements so far incurred, including storage costs, to the 58th Meeting of the Executive Committee;
- (g) With regard to Trinidad and Tobago, to note the successful verification of its compliance with its phase-out obligations for CFC consumption under the TPMP in 2007.

(Decision 57/14)

AGENDA ITEM 9: PROJECT PROPOSALS

(a) Overview of issues identified during project review

104. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/57/16 and Add.1 containing six sections: an analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 57th Meeting; an assessment of the funds available against the level of funding being requested; policy issues identified during the project review process; projects and activities submitted for blanket approval; investment projects for individual consideration; and activities and projects not required for compliance.

Deferral of a multi-year agreement tranche due to low rate of disbursement for the previous tranche

105. During the presentation, the representative of the Secretariat drew Members' attention to the policy issue on requests for approval of subsequent tranches of MYAs where some of the activities in the previous tranche had a very low rate of implementation, as well as a very low rate of disbursement. In submitting such requests, the implementing agencies argued that the most important consideration in releasing tranches should be whether the country had met Protocol compliance targets and ODS consumption reductions as stipulated in the agreements. It was the Secretariat's view, however, that achieving ODS phase-out targets was not the only prerequisite for the approval of funding for a subsequent tranche inasmuch as phase-out could be linked to factors other than the rate of implementation of activities. The representative of the Secretariat also indicated that the level of funding for any tranche was linked to specific activities approved by the Committee.

106. In the ensuing discussion, it was pointed out that conditions outside a country's control might have an impact on the rate of disbursement and rate of implementation of activities in the phase-out projects. It might therefore be wise to proceed on a case-by-case basis when deciding to withhold funding for subsequent tranches so as to ensure equitable treatment. However, given the great demand for Multilateral Fund resources, it was equally important to refrain from disbursing funds for projects with unspent balances, particularly when a very low rate of progress was observed. Furthermore, proceeding on a case-by-case basis entailed the risk of micro-managing tranche disbursement. It was also pointed out that establishing a process to deal with the issue would make the project submission procedure smoother and more efficient.

107. Several Members pointed out that, according to past practice, consideration of tranches for projects with a low rate of disbursement and a low rate of implementation of activities had been deferred to later Meetings. In fact, agreements between countries and the Executive Committee contained clauses establishing a direct link between the implementation of activities and the release of tranches. Furthermore, in the event of extraordinary circumstances in a country preventing the timely disbursement and implementation of activities, the representative of that country had the option of requesting the Executive Committee to release the funds on an exceptional basis. Given the complexity of the issue, a contact group was established to consider the issue further, with the representative of the Dominican Republic as facilitator.

108. Following the report from the facilitator of the contact group, the Executive Committee decided that bilateral and implementing agencies should not submit for the Committee's consideration requests for funding of tranches of multi-year agreements with low rates of implementation of activities initiated with previously approved tranches and where the rate of disbursement of funding available from the previously approved tranche was less than 20 per cent, even when the levels of consumption of the ODS under consideration were below the maximum allowable levels under the Montreal Protocol and in the Agreement between the Government concerned and the Executive Committee.

(Decision 57/15)

List of projects and activities submitted for blanket approval

109. The representative of the Secretariat drew the Executive Committee's attention to the list of projects and activities recommended for blanket approval presented in Annex I to document UNEP/OzL.Pro/ExCom/57/16 and Add.1.

110. Following the presentation, clarification was sought regarding UNEP's request for HPMP project preparation and for the implementation of the fifth tranche of the NPP for the Democratic People's Republic of Korea, as the UNDP project office used by UNEP to distribute funds in that country had been closed. Members asked how the funds for those two projects would be distributed. The representative of

UNEP said that the UNDP project office was expected to be back in operation shortly and that, in the meantime, other United Nations organizations with offices in the Democratic People's Republic of Korea could be used to distribute the funds. Members felt that it would be preferable to await confirmation from UNEP regarding the actual means of distributing the funds before approving the projects in question.

111. Following the discussion, the Executive Committee decided:

- (a) To defer consideration of the HCFC phase-out management plan and the fifth tranche of the national phase-out plan to be implemented by UNEP in the Democratic People's Republic of Korea to the 58th Meeting of the Executive Committee, upon confirmation by UNEP regarding the means of distributing the funds to the country;
- (b) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex IX to the present report, together with the conditions or provisos included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee;
- (c) To approve the Agreement between the Government of Botswana and the Executive Committee for the terminal phase-out management plan (TPMP), as contained in Annex X to the present report, at a total amount in principle of US \$205,000, plus agency support costs of US \$26,650 for the Government of Germany, and the first tranche for the project at the amount indicated in Annex IX to the present report;
- (d) To approve the Agreement between the Government of Equatorial Guinea and the Executive Committee for the TPMP, as contained in Annex XI to the present report, at a total amount in principle of US \$180,000, plus agency support costs of US \$23,400 for UNEP, and the first tranche for the project at the amount indicated in Annex IX to the present report;
- (e) To approve the Agreement between the Government of Sierra Leone and the Executive Committee for the TPMP, as contained in Annex XII to the present report, at a total amount in principle of US \$150,000, plus agency support costs of US \$15,950 (US \$12,350 for UNEP and US \$3,600 for UNDP), and the first tranche for the project at the amount indicated in Annex IX to the present report; and
- (f) That for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex XIII to the present report.

(Decision 57/16)

(b) Bilateral cooperation

112. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/17, which contained 15 requests for bilateral cooperation, with a value of US \$2,294,101, including agency fees, that had been submitted to the 57th Meeting for possible approval. Eleven of the requests were from the Government of Germany, while the Governments of Canada, the Czech Republic, France and Italy had each submitted one proposal. All of the requests were within the relevant Government's allocation for bilateral cooperation for 2009 and fourteen of those were recommended for blanket approval. One request from the Government of the Czech Republic to initiate, jointly with UNEP, a project for regional cooperation to enforce ODS trade controls in Eastern Europe and Central Asia (ECA) network countries was being presented to the Executive Committee for individual consideration.

Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche) (Czech Republic and UNEP)

113. The representative of the Secretariat said that the project proposal was a two-year initiative that would involve meetings, the development of enforcement tools, the review and analysis of import data, as well as the setting up of a regional information system that would be useful to the ECA network countries. The proposed budget for the two years was US \$239,750, of which US \$78,750 was for UNEP and US \$161,000 would be in the form of bilateral assistance from the Government of the Czech Republic. Following discussions with UNEP and the Government of the Czech Republic, the project was being recommended for approval for one year only, on the understanding that a report on the operation of the network during the first year would need to be submitted when further funding was requested for the second year of the project. She also said that the level of funding and agency support costs being assigned to UNEP's participation in the project would be presented to the Meeting when it considered UNEP's work programme.

114. The Executive Committee decided:

- (a) To approve the project initiating regional cooperation to enforce ODS trade controls in the Eastern Europe and Central Asia network countries (first tranche) for one year only, to be implemented by the Government of the Czech Republic and UNEP, at a level of funding of US \$ 80,500, plus agency support costs of US \$10,465 for the Czech Republic, on the understanding that:
 - (i) The approval was without prejudice to future funding approvals for the remaining year proposed for the project; and
 - (ii) In requesting funding for the second year, the Government of the Czech Republic and UNEP would prepare a joint report on the outputs of the network's first year of operation;
- (b) To request the Treasurer to offset the costs of the bilateral projects approved at the 57th Meeting as follows:
 - (i) US \$99,440 (including agency fees) against the balance of Canada's bilateral contribution for 2009;
 - (ii) US \$90,965 (including agency fees) against the balance of the Czech Republic's bilateral contribution for 2009;
 - (iii) US \$202,367 (including agency fees) against the balance of France's bilateral contribution for 2009;
 - (iv) US \$1,748,779 (including agency fees) against the balance of Germany's bilateral contribution for 2009;
 - (v) US \$152,550 (including agency fees) against the balance of Italy's bilateral contribution for 2009.

(Decision 57/17)

(c) Work programmes

(i) 2009 work programme of UNDP

115. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/18, which contained the proposed work programme of UNDP for 2009. She drew the Committee's attention to Table 1 in the document: Section A contained the 28 projects covering IS renewal, requests for HPMP project preparation, and TPMP verification that had been approved as part of the blanket approval under agenda item 9(a) above; and Section B contained a number of activities for individual consideration. As a result of decision 57/6 and the discussions under agenda item 7 above, however, all that remained for consideration by the Committee was one demonstration project for HCFC alternatives, for Egypt, and two requests for the preparation of pilot projects on ODS disposal, in Brazil and Ghana.

Egypt: Project preparation for validation of low-cost HC in foams

116. Pursuant to decision 55/43(e), UNDP had submitted a request for project preparation for a technical assistance project for the foam sector, the results of which would demonstrate the benefits of hydrocarbon-based polyols for systems houses. UNDP had not provided information on the amount of HCFCs that might be phased out through the demonstration project nor, in the Secretariat's view, did it present a compelling case why the project should be chosen by the Executive Committee pursuant to decision 56/56(i). UNDP had indicated that the level of HCFCs to be phased out would be known only once the demonstration project had been implemented, as the request was for technology validation only. The representative of UNDP also confirmed that the ODP phase-out amount would indeed be stated in the request for funding for phase two of the project, which would be submitted by UNIDO, and that the validation proposal did not have an ODP phase-out associated with its implementation.

117. Following the discussion, the Executive Committee decided to approve the request for project preparation for validation of low-cost hydrocarbons in foams in Egypt, pursuant to decision 55/43(e), at the corresponding level of funding indicated in Annex IX to the present report.

(Decision 57/18)

Brazil: Preparation for pilot demonstration project on ODS waste management and disposal

Ghana: Preparation for pilot demonstration project on ODS waste management and disposal

118. UNDP's work programme included two requests for the preparation of ODS disposal projects, in Brazil and Ghana, submitted in the light of paragraph 2 of decision XX/7 of the Twentieth Meeting of the Parties. In the submission, UNDP had provided information on the approach that would be taken for the pilot projects, as well as the amount of ODS that might be destroyed as a result of their implementation.

119. Following the discussion, the Executive Committee decided to approve the project preparation requests for ODS disposal pilot projects for Brazil and Ghana at the corresponding level of funding indicated in Annex IX to the present report.

(Decision 57/19)

(ii) 2009 work programme of UNEP

120. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/19 containing UNEP's proposed work programme for 2009. She indicated that in Section A of Table 1, 52 activities had been recommended for blanket approval and had been approved under agenda item 9(a). She also confirmed that the proposal for project preparation for PICs' HPMPs was to be deferred to a future Meeting and was not included in UNEP's work programme at the present Meeting in line with

decision 57/9(e). Only two projects remained for the Executive Committee's consideration, a proposal for project preparation for Guatemala, and the UNEP counterpart funding for the enforcement network for ECA countries.

Guatemala: Project preparation for methyl bromide phase-out

121. The representative of the Secretariat presented UNEP's request for project preparation funds for Guatemala to design the overall policy and awareness assistance required to meet the MB phase-out in 2015 and to support the current MB sector phase-out plan being implemented in the country by UNIDO. During the discussion, the representative of UNEP clarified the issue related to project preparation funds for Guatemala, noting that between 2006 and 2008 both UNIDO and UNEP had worked in synergy to facilitate the phase-out of the use of MB in the country, and that UNEP had the responsibility of addressing policy issues and working with stakeholders. Project preparation funds were being requested to facilitate identification of stakeholders, identify institutions related to MB phase-out, identify linkages to policy issues and analyse institutional needs. The full project would be submitted in 2010. One Member noted with concern that approving additional funds for Guatemala for policy design would be inconsistent with Executive Committee guidelines, as funds for an MB phase-out plan had already been approved and should have included those elements. He also noted that the country had received institutional strengthening funds, which were designed to help countries develop policies. He suggested that the project preparation activity be removed and that it be covered by existing resources under the CAP.

122. The Executive Committee decided not to approve the project preparation request for methyl bromide phase-out in Guatemala.

(Decision 57/20)

Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche) (Czech Republic and UNEP)

123. The representative of the Secretariat noted that UNEP's request for funding the project on initiating regional cooperation to enforce ODS trade controls in ECA network countries had already been discussed and approved under item 9(b) on bilateral cooperation.

124. The Executive Committee noted the approval of the project initiating regional cooperation to enforce ODS trade controls in the Eastern Europe and Central Asia network countries (decision 57/17(a)) and decided to approve UNEP's component for one year only, at the level of funding of US \$51,230, plus agency support costs of US \$6,663 for UNEP.

(Decision 57/21)

(iii) 2009 work programme of UNIDO

125. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/20, which contained the 27 activities submitted for funding by UNIDO. The projects on the blanket approval list had already been approved under agenda item 9(a). As a result of decision 57/6 and the discussions under agenda item 7 above, only the IS project for Armenia and the requests for the preparation for ODS disposal projects in Mexico and Turkey were for individual consideration.

Armenia: Institutional strengthening (Phase I)

126. The representative of the Secretariat said that UNIDO had submitted a request for a new IS project for Armenia. She recalled that Armenia had originally been classified as a non-Article 5 Party to

the Montreal Protocol receiving funding under the GEF, and that its status had changed to an Article 5 country in 2002. She also said that the situation of Armenia was similar to that of Turkmenistan, for which funds had been approved for an IS project by decision 46/21.

127. One Member observed that, in approving such IS support, governments had to be reminded that there was an expectation that they would eventually have to take over responsibility for managing the National Ozone Unit (NOU) and that they should consider the gradual transfer of the funding and support of the NOUs from the Multilateral Fund to the relevant national government to allow it to take ownership of those NOUs in the future.

128. Following the discussion, the Executive Committee decided to approve the request for Phase I of the institutional strengthening project for Armenia, for two years only, at the total amount of US \$120,000, plus agency support costs of US \$9,000 for UNIDO.

(Decision 57/22)

Mexico: Preparation for pilot demonstration project on ODS waste management and disposal
Turkey: Preparation for pilot demonstration project on ODS waste management and disposal

129. The representative of the Secretariat informed the Executive Committee that, of the projects contained in the proposed work programme of UNIDO, only two pilot projects for ODS disposal remained for individual consideration. Both projects had been submitted in the light of paragraph 2 of decision XX/7 of the Twentieth Meeting of the Parties.

130. The representative of UNIDO explained that UNIDO had been asked to reconsider the projects it had presented to the present Meeting in light of the criteria that had been discussed during the deliberations of the contact group on ODS disposal. He said that, although the criteria for the selection of such projects had not yet been fully developed, the pilot projects for Mexico and Turkey were in line with those criteria. Therefore, the pilot project for ODS disposal for Mexico, which was in UNIDO's business plan, had been added to UNIDO's work programme for 2009. It was also understood that UNIDO would work closely with the World Bank in the development and implementation of the pilot project for ODS disposal in Mexico.

131. Following a discussion, the Executive Committee decided:

- (a) To approve the request for a pilot project for ODS disposal for Turkey at the corresponding level of funding indicated in Annex IX to the present report; and
- (b) To include the request for project preparation for ODS disposal activities for Mexico in the work programme for UNIDO and to approve the project at the corresponding level of funding indicated in Annex IX to the present report.

(Decision 57/23)

(iv) 2009 work programme of the World Bank

132. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/56/21, which contained the proposed 2009 work programme of the World Bank. She drew the Committee's attention to Table 1, which contained two requests for the renewal of IS projects that had already been approved under agenda item 9(a). As a result of decision 57/6 and the discussions under agenda item 7 above, however, there remained only three requests for the preparation of HCFC demonstration projects for the foam sector in China, and requests for the preparation of two pilot ODS disposal projects, for Indonesia and the Philippines, for consideration by the Committee.

China: Preparation of demonstration project for phase-out of HCFC in spray foam

China: Preparation of demonstration project for phase-out of HCFC in foam insulation for water heaters

China: Preparation of demonstration project for phase-out of HCFC for foam system house

133. The representative of the Secretariat said that the World Bank had submitted three requests for project preparation for demonstration projects for the foam sector in China to evaluate: the technical and commercial viability of using HFC-245fa or liquid carbon dioxide as an alternative to HCFC in spray foam applications; the use of hydrocarbons for insulation foam in water heaters; and the use of pre-blended hydrocarbon polyols for foam system houses in line with decisions 54/43(e) and 56/16(i).

134. One Member said that, on the basis of experience with HCFC phase-out in her country, she considered liquid carbon dioxide to be the better of the two alternatives for Article 5 countries, as HFC-245fa was expensive, had a very low boiling point and required greater care when being transported, and requested the World Bank to consider that in its project preparation.

135. Following the discussion, the Executive Committee decided:

- (a) To approve the requests for project preparation for three demonstration projects in China in line with decisions 55/43(e) and 56/16(i), at the amounts indicated below:
 - (i) Preparation of a demonstration project for phase-out of HCFC in spray foam: US \$30,000, plus agency support costs of US \$2,250 for the World Bank;
 - (ii) Preparation of a demonstration project for phase-out of HCFC in foam insulation for water heaters: US \$30,000, plus agency support costs of US \$2,250 for the World Bank; and
 - (iii) Preparation of demonstration project for phase-out of HCFC for foam system house: US \$80,000, plus agency support costs of US \$6,000 for the World Bank.

(Decision 57/24)

Indonesia: Preparation for pilot demonstration project on ODS waste management and disposal

Philippines: Preparation for pilot demonstration project on ODS waste management and disposal

136. The representative of the Secretariat said that the World Bank had submitted a request for the preparation of pilot demonstration projects on ODS disposal in Indonesia and the Philippines in the light of paragraph 2 of decision XX/7 of the Twentieth Meeting of the Parties.

137. The Secretariat had noted that a common element of the requests was that the projects would seek to generate practical data and experience on management and financing modalities, and would examine opportunities to leverage co-financing. It was therefore possible that full projects resulting from the preparation funds might not necessarily be funded through the Multilateral Fund, but might instead come from carbon credits that the destroyed ODS could generate for the countries.

138. In its presentation, the representative of the World Bank clarified that it would be participating in the ODS disposal demonstration project approved for UNIDO under decision 57/23(b). The World Bank's participation would involve a study exploring co-funding options in the context of another World Bank-financed project on an energy efficiency appliance programme for the country. The World Bank will seek funds for this study at the 58th Meeting.

139. The Executive Committee decided to approve the project preparation requests for ODS disposal pilot projects for Indonesia and the Philippines at the corresponding level of funding indicated in Annex IX to the present report.

(Decision 57/25)

(d) Investment projects

Foam sector

Iraq: Conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Al Hadi Co (UNIDO)

140. Introducing document UNEP/OzL.Pro/ExCom/57/38, the representative of the Secretariat said that, on behalf of the Government of Iraq, UNIDO had submitted a stand-alone foam sector investment project prior to the submission of the Iraq country programme and the NPP. The Government, however, planned to submit those documents to the 58th Meeting.

141. The foam sector project proposed the phase-out of 20 tonnes of CFC-11 by replacing them with methylene chloride in the production of flexible slabstock foam at Al Hadi. Discussions with UNIDO had focused on the production level at the enterprise. The cost of the project had been calculated on the basis of CFC consumption of 20 tonnes, which was equivalent to 40 per cent of the enterprise's production capacity. Owing to the special situation prevailing in Iraq, however, CFC consumption over the past three years had ranged from 10 to 12 ODP tonnes. According to UNIDO, production output was increasing, and it was expected that by 2011 the enterprise would reach its normal production level. The Secretariat had also discussed technical issues and the feasibility of accelerating implementation of the project given the technology selected and the experience in using it.

142. Recalling the special situation of Iraq as a new Party to the Montreal Protocol and its potential difficulties in achieving the complete phase-out of Annexes A and B substances, as discussed by the Parties to the Montreal Protocol at their Twentieth Meeting, the Executive Committee decided to approve the project for the conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Al Hadi Co., at a total cost of US \$126,457, plus agency support costs of US \$11,381 for UNIDO, without prejudice to the non-compliance mechanism of the Montreal Protocol, and on the understanding that no other project for the phase-out of CFCs in the foam sector would be approved for Iraq outside the national phase-out plan.

(Decision 57/26)

Refrigeration sector

Iraq: Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company (UNIDO)

143. Introducing document UNEP/OzL.Pro/ExCom/57/38, the representative of the Secretariat said that, on behalf of the Government of Iraq, UNIDO had submitted a stand-alone investment project in the refrigeration sector prior to the submission of the Iraq country programme and the NPP, which were planned to be submitted to the 58th Meeting. The project proposal related to the replacement of refrigerant CFC-12 and foam blowing agent CFC-11 in the manufacture of domestic refrigerators and chest freezers at Light Industries Company. Both replacement technologies, HFC-134a for refrigeration and cyclopentane for foam blowing, were technically fully adequate solutions and were already being used in the region. With regard to the choice of HFC-134a, the Secretariat was of the opinion, in light of decision XIX/6, paragraph 11(c), of the Nineteenth Meeting of the Parties, that the use of isobutane (hydrocarbon technology) would have been the only appropriate technology choice for the project as it

minimized the impact on the environment. Although UNIDO had originally proposed the use of isobutane, Light Industries Company perceived problems regarding its availability in the region and favoured close cooperation with one enterprise in the Syrian Arab Republic that used HFC-134a and pentane.

144. In the ensuing discussion on the replacement of refrigerant CFC-12 with HFC-134a, some Members said that, as Iraq had become a Party so recently and had to comply with total CFC phase-out in such a short time, they wished to approve the project, though clearly on an exceptional basis. Other Members were concerned that a precedent would nevertheless be set and were of the view that the Executive Committee should take into account the intent of decision XIX/6, especially as the replacement of CFC-12 with isobutane appeared to be technically feasible.

145. Some Members thought it was neither appropriate nor desirable to set an example using the special case of Iraq. They also pointed out that decision XIX/6 pertained to HCFCs only: there was no such guidance on dealing with HFCs and hydrocarbons. The GWP of HFC-134a was already much lower than that of CFC-12 and it should be recalled that there would be climate benefits arising from the improvement in energy efficiency due to the conversion.

146. Speaking at the invitation of the Chair, an observer from a non-governmental organization said that time was running out for dealing with climate change and warned of impending disaster if action was not taken immediately. He beseeched the Executive Committee not to approve any projects using HFCs when an alternative was available, and advocated the use of hydrocarbons in that respect.

147. In response to a question about the cost implications of using isobutane rather than HFC-134a, the representative of UNIDO stated that, although the cost would be slightly higher for isobutane because of the safety aspects, cost was not the main concern in choosing the alternative to CFC-12. The Iraqi enterprise was concerned that no other producer of domestic refrigerants in the region used isobutane. He said that UNIDO would revert to the Iraqi enterprise in an attempt to convince it to choose isobutane.

148. The representative of the Secretariat subsequently reported that UNIDO had been informed by the Government of Iraq that the enterprise was indeed willing to choose isobutane. He also informed the Executive Committee of the necessary changes to the funding of the project and pointed out that the cost-efficiency of that hydrocarbon technology would be US \$11.17/ODP kg.

149. In light of these developments, the Executive Committee decided to approve the project for the replacement of refrigerant CFC-12 with isobutane and of the foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company, at a total funding level of US \$2,161,581, plus agency support costs of US \$162,119 for UNIDO, without prejudice to the non-compliance mechanism of the Montreal Protocol, and on the understanding that no other project for the phase-out of CFCs in the refrigeration manufacturing sector would be approved for Iraq outside the national phase-out plan.

(Decision 57/27)

National phase-out plan

Bangladesh: National ODS phase-out plan (second, third and fourth tranches) (UNDP/UNEP)

150. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/23, which contained a progress report on the implementation of the first work programme for the phase-out plan for Bangladesh, the verification report required by the Agreement, and a request for funding for the second, third and fourth tranches to be implemented by UNDP and UNEP. He noted that, in 2007 and 2008, CFC consumption levels had been above those allowed under the Montreal Protocol and the Agreement between the Government of Bangladesh and the Executive Committee, although the levels of CFCs used

in the refrigeration servicing sector alone had been reduced between 2004 and 2008.

151. The representative of the Secretariat reported further that the Government of Bangladesh and UNDP understood that approval of the MDI investment project was in recognition of the fact that CFC consumption in the MDI sector was likely to exceed the allowable level of consumption under both the Protocol and the Agreement and that the consumption in the pharmaceutical sector should be addressed through the MDI project. If the verification report demonstrated that the consumption of CFCs in the refrigeration servicing sector was within the limits in the Agreement, Bangladesh would be considered to be in compliance with the NPP. Therefore, the issue before the Committee was whether, in assessing the 2007 and 2008 CFC phase-out targets set out in the Agreement for Bangladesh, it should consider only consumption in the refrigeration servicing sub-sector or the total consumption in both the refrigeration servicing and MDI manufacturing sub-sectors.

152. During the discussion, one Member raised a concern that the specific consumption target under the Agreement had not been changed when a subsequent Agreement on MDI phase-out had been approved. It therefore appeared that the Government of Bangladesh had not met its target for 2007 and the penalty clause should be applied in a flexible fashion, in order to be consistent with the Agreement and with past practice. Another Member pointed out that levels of maximum consumption referred to the total consumption and did not differentiate among sectors.

153. The Chair requested that a contact group be established to discuss the issue further.

154. Having heard the report of the contact group, the Executive Committee decided:

- (a) To take note of the progress report on the implementation of the first tranche of the national ODS phase-out plan in Bangladesh, including the efforts of Bangladesh to effectively reduce its consumption of CFCs in the refrigeration servicing sector;
- (b) To take note of the verification report on 2004-2007 CFC consumption;
- (c) To apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee calculated, on an exceptional basis, at 5 per cent of the amount for each of the second, third and fourth tranches being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis of the following considerations that:
 - (i) The levels of CFCs used in the refrigeration servicing sector alone had been reduced from 232.1 ODP tonnes in 2004 to 59.9 ODP tonnes in 2008;
 - (ii) The status of non-compliance by Bangladesh with its Agreement was attributable to a large extent to the CFC consumption associated with the manufacturing of CFC metered-dose inhalers (MDIs), for which a phase-out project had only been approved by the Executive Committee at its 52nd Meeting, in 2007;
- (d) Using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$44,575 for the second, third and fourth tranches of the national ODS phase out plan for Bangladesh;
- (e) To approve the second, third and fourth tranches of the national ODS phase-out plan for Bangladesh at a total funding level of US \$669,750, plus agency support costs of US \$50,231 for UNDP, and US \$177,175, plus agency support costs of US \$23,033, for UNEP, which took into account the penalty using the method outlined in sub-paragraph (c) above;

- (f) To note that the maximum level of CFC consumption for both the refrigeration servicing and the pharmaceutical sub-sectors in 2009 was 53.0 ODP tonnes as stipulated in the Agreement, and if this amount was exceeded the Executive Committee might consider applying paragraph 10 of the Agreement on reductions in funding in full, for failure to comply;
- (g) To request the Government of Bangladesh and UNDP to submit a progress report on the implementation of the national ODS phase-out plan for Bangladesh and the project for the phase-out of CFCs in the MDI sector to the 60th Meeting of the Executive Committee.

(Decision 57/28)

Nigeria: National CFC phase-out plan (sixth tranche) (UNDP)

155. The representative of the Secretariat, on behalf of the Government of Nigeria, introduced document UNEP/OzL.Pro/ExCom/57/46, which included a request for funding the sixth tranche (2007) of the NPP. He indicated that UNDP had not provided a verification report regarding the country's consumption in 2007 as, according to UNDP's interpretation of the Agreement, a verification report had to be submitted only every second year and the previous verification reports (2005 and 2006) had been submitted to the 54th Meeting. It was the Secretariat's understanding that at least every second request for a funding tranche should be accompanied by a verification report covering the previous years, which precluded the submission of the seventh and eight tranches to the present Meeting. The document contained a proposal from the Government of Nigeria, which reflected an agreement between UNDP and the Secretariat to seek clarification regarding the text of the Agreement and indicated that verification of consumption would be provided with requests for every second funding tranche.

156. During the discussion, the representative of UNDP said that the Agreement was a very early one and, although most Agreements required countries to prepare verification reports every year, it referred to verification reports every two years. Following discussions with the Secretariat, that had been interpreted as meaning that a verification report was required for every second tranche submitted. The representative of UNDP indicated that one tranche was being requested at the present Meeting, and that UNDP would return to the Executive Committee with verification reports for 2007 and 2008 for future tranches.

157. Support was expressed for the Government of Nigeria, and it was emphasized that sufficient time should be given for providing verification reports without it being necessary to withdraw the submission of tranches. One Member, on the other hand, expressed concern that the latest verification report had been submitted in 2006 and, as complete phase-out was imminent, it would be useful to know whether the Government of Nigeria had met its targets for 2007 and 2008. Moreover, as of December 2008, the project had US \$1.8 million in unspent balances and delaying the approval of the tranche until verification reports could be provided would not appear to compromise the Government of Nigeria's ability to implement activities. Another Member suggested that the verification reports for 2007 and 2008 be prepared expeditiously.

158. As a point of clarification, the representative of UNDP said that many of the funds that had appeared to be available in December 2008 had now been committed, that a consultant had been hired to undertake the 2007 and 2008 verification reports, and that UNDP intended to come to the 58th Meeting of the Executive Committee with requests for funding the two additional tranches of the Agreement.

159. The Executive Committee decided:

- (a) That verification of consumption had to be provided as part of the request for every second funding tranche under the Agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting;

- (b) To take note of the annual implementation report of the national CFC phase-out plan (NPP) in Nigeria for 2008;
- (c) To approve the programme for implementation of the NPP for Nigeria for 2009; and
- (d) To approve the sixth tranche (2007) of the NPP for Nigeria at a total cost of US \$385,000, plus agency support costs of US \$32,770 for UNDP, with the expectation that verification reports for 2007 and 2008 would be submitted to the Secretariat in time for the 58th Meeting of the Executive Committee.

(Decision 57/29)

Bolivarian Republic of Venezuela: National CFC phase-out plan: 2009 work programme (UNIDO)

160. Introducing document UNEP/OzL.Pro/ExCom/57/55, the representative of the Secretariat said that a request for funding the fourth tranche of the national CFC phase-out management plan had been submitted by UNIDO on behalf of the Government of the Bolivarian Republic of Venezuela. That request had been accompanied by a progress report regarding activities in previous years, and a verification report for 2006 and 2007, which indicated that for 2006 CFC maximum allowable consumption in the Bolivarian Republic of Venezuela had been 2,6541.7 ODP tonnes, or some 980.5 ODP tonnes over the maximum allowable consumption for that year. However, the verification report for 2007 had also shown that, because of exports, the consumption of CFCs equalled -14.4 ODP tonnes, or 514.4 tonnes below the agreed limit of 400 ODP tonnes for 2007.

161. The representative of the Secretariat said that in decision 51/32 the Executive Committee had accepted a consumption level above the maximum consumption allowed by an agreement for a given year. Following that precedent, the Executive Committee might consider as a mitigating factor the fact that ODS production had been stockpiled for exports to meet the basic domestic needs of developing countries. However, a review of the verified stockpile data for the Bolivarian Republic of Venezuela had revealed that the levels of stockpiles for exports appeared to be 169 ODP tonnes lower than the export requirements. The Bolivarian Republic of Venezuela's NOU had written to the Secretariat confirming that 173.7 ODP tonnes that should have been exported to meet the needs of other Article 5 countries had been consumed nationally to meet the country's basic needs.

162. Concern was expressed that the Bolivarian Republic of Venezuela might not have been in compliance with its obligations for 2006. It was also observed that, while a subsequent return to compliance did not mitigate any earlier violation of a country's obligations, it might not be appropriate to impose the full penalty provided for in the present case. Any penalty had to be assessed in light of the progress that a country had made. However, as some countries had already been penalized for violations of their agreements with the Executive Committee, some kind of penalty had to be applied in order to ensure that all countries received fair treatment.

163. The representative of UNIDO also informed the Meeting that the Bolivarian Republic of Venezuela had undertaken, henceforth, to destroy any stockpiled ODS that it did not export.

164. Following the discussion, the Executive Committee decided:

- (a) To note:
 - (i) The progress report on the implementation of the national phase-out plan (NPP) for the Bolivarian Republic of Venezuela during the years 2007 and 2008;
 - (ii) That the Bolivarian Republic of Venezuela was in non-compliance with its

- Agreement with the Executive Committee for the year 2006;
- (iii) That the Bolivarian Republic of Venezuela had taken action to effectively return to compliance with the Agreement referred to in sub-paragraph (a)(ii) above, for the year 2007;
 - (iv) The commitment of the Government of the Bolivarian Republic of Venezuela, as reported by UNIDO, to export or destroy any remaining stockpiled CFCs;
- (b) To apply the penalty clause in the Agreement calculated at 20 per cent of the amount of the tranche being submitted to the Executive Committee for approval for reasons of non-compliance with the Agreement, on the basis of the following considerations that:
- (i) It was the first time that the country had been in non-compliance with the Agreement;
 - (ii) Non-compliance with the Agreement would not lead to aggregated consumption for all years of the Agreement being larger than the aggregated values of the agreed consumption for those years; and
 - (iii) The country had returned to compliance without additional assistance from the Fund;
- (c) Using the method outlined in sub-paragraph (b) above, to apply a penalty of US \$128,366 to the fourth tranche of the NPP for the Bolivarian Republic of Venezuela;
- (d) To approve the fourth tranche of the NPP for the Bolivarian Republic of Venezuela at the amount of US \$513,465, plus agency support costs of US \$38,510 for UNIDO, which took into account the penalty calculated using the method outlined in sub-paragraph (b) above;
- (e) To request UNIDO to submit, no later than eight weeks prior to the 61st Meeting of the Executive Committee, a verification of the level of stockpiles of CFCs at the end of the years 2008 and 2009, any export of CFCs during 2008 and 2009, and the destruction of any remaining CFCs not exported prior to December 2009; and
- (f) To approve the implementation programme for 2009, with the flexibility to include the need for the additional verification requested in sub-paragraph (e) above.

(Decision 57/30)

Production sector

China: Sector plan for CFC production phase-out: 2009 annual programme (World Bank)

165. The representative of the Secretariat introduced the China sector plan for CFC production phase-out and the 2009 annual programme, contained in document UNEP/OzL.Pro/ExCom/57/29/Add.1, which had been submitted by the World Bank and also contained a verification report on the implementation of the 2008 China CFC production phase-out programme. The verification report had concluded that China had complied with the annual CFC production target. The verification team had also attempted to verify the production of CFCs for MDIs and for potential essential uses, as was required by the accelerated production phase-out Agreement between the Executive Committee and the Government of China. However, the verification team had not been able to verify that the production of MDI-grade CFCs produced at the CFC plant Zhejiang Juhua Fluoro-Chemical Co. Ltd (Juhua) had been

sold to MDI manufacturers, although they had verified that the CFCs had either been sold to six dealers or stockpiled. In 2008, 233.37 ODP tonnes had been stockpiled at the Juhua facility, and licences for their sale had not yet been issued. Therefore, their use for MDIs could not be verified. He said that if the stockpiled CFCs remained unused throughout 2009 there might be an issue with respect to verification as the Agreement between the Executive Committee and the Government of China expired at the end of 2010.

166. The representative of the Secretariat also said that, although the accelerated phase-out agreement between the Government of China and the Executive Committee allowed for independent verification to be submitted up to 30 days prior to a Meeting of the Executive Committee, the Secretariat was left with very little time to review the verification report. In order to resolve potential issues for the last annual tranche to be submitted in 2010, the Executive Committee might wish to urge the Government of China to make all efforts to submit the verification as early as possible in 2010.

167. The Executive Committee decided:

- (a) To request the Government of China and the World Bank to include the review of licences for the sale of CFCs to MDI manufacturers in 2008 and 2009 as part of the verification report to be submitted to the 60th Meeting of the Executive Committee;
- (b) To urge the Government of China and the World Bank to make all efforts to submit the verification report as early as possible in 2010 in order to resolve any potential issues in advance of the dispatch of documents to Members of the Executive Committee; and
- (c) To release US \$7.5 million, and the associated support costs of US \$562,500, to the World Bank for the implementation of the 2009 work programme for the China CFC production sector Agreement, in light of the verification results indicating that China had met the CFC production reduction target as established in the CFC production sector Agreement for the year 2008.

(Decision 57/31)

AGENDA ITEM 10: COUNTRY PROGRAMMES

168. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/58, containing the country programme for Equatorial Guinea, submitted by UNEP on behalf of the Government of Equatorial Guinea. In the context of the TPMP, also being considered at this meeting, the Secretariat had raised an issue related to the country's licensing system, which was eventually clarified after discussions with UNEP and the Ozone Secretariat.

169. The Executive Committee decided:

- (a) To approve the country programme for Equatorial Guinea, noting that approval of the country programme did not denote approval of the projects identified therein or their funding levels; and

- (b) To request the Government of Equatorial Guinea to submit information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para 135) using the approved on-line format. The initial report covering the period 1 January 2008 to 31 December 2008 should be submitted to the Fund Secretariat no later than 1 May 2009.

(Decision 57/32)

AGENDA ITEM 11: COST CONSIDERATIONS SURROUNDING THE FINANCING OF HCFC PHASE-OUT (DECISIONS 55/43(h) AND 56/65)

(a) Prioritization of HCFC phase-out technologies to minimize other impacts on the environment

170. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/59, which contained a status report on the further analysis of the “functional unit approach” as a satisfactory and transparent basis for the prioritization of HCFC phase-out technologies to minimize other impacts on the environment, including on the climate, as originally envisaged in decision XIX/6 of the Nineteenth Meeting of the Parties. He reported that the Secretariat, with the support of experts, was undertaking technical consultation to enable the development of mutually agreed functional units for the refrigeration and foam sectors, with clear and well-defined characteristics. It did not include solvents and other uses as there was no consistent use pattern in those sectors to allow for meaningful standardization.

171. Two issues were highlighted: the first was the degree to which it was possible, in countries without a manufacturing sector, to give priority to cost-effective projects and programmes that focused, *inter alia*, on substitutes and alternatives that minimized impacts on climate (decision XIX/6, paragraph 11(b)). The second issue related to the use of indicators to assess the climate impact at both the country level and the enterprise/sub-project level, and the question of how incentives might be associated with such indicators to give the desired priority to projects.

172. It was noted that the Secretariat had explored three approaches and had ruled out two. Given that the document was a work in progress, it was not yet clear that the functional unit approach was the most effective. The representative of the Secretariat said that, independent of calculations, the outcome of the functional unit approach analysis would provide information on the climate benefits of a project in absolute terms, plus the cost of future measures, and could be applied at the national level. Some members felt it would be useful if the Secretariat were to provide concrete examples of the application of the methodology to two technologies in the foam sector and two in the refrigeration sector. Finally the Secretariat was thanked for its paper and it was emphasized that, to facilitate climate co-benefits, transparent and reliable data were required, and the document represented a useful approach that could be pursued, with future analysis to be presented to the 58th Meeting.

173. Following the discussion, the Executive Committee decided:

- (a) To take note of the status report on the further analysis of the “functional unit approach” contained in document UNEP/OzL.Pro/ExCom/57/59;
- (b) To request the Secretariat to prepare a document presenting four concrete examples of the application of the methodology to two technologies in the foam sector and two in the refrigeration sector for submission to the 58th Meeting of the Executive Committee for further consideration of the methodology; and
- (c) To discuss issues related to the type of incentives to be associated with the indicators

being developed, and other relevant questions relating to the indicators, no later than the 58th Meeting.

(Decision 57/33)

(b) Second-stage conversions and determination of the cut-off date for installation of HCFC-based manufacturing equipment

174. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/60, which had been prepared in response to decision 56/65 and presented an analysis of the following outstanding issues regarding HCFC phase-out: the cut-off date for installation of HCFC-based manufacturing equipment; second-stage conversions, linked to the eligibility of funding for the replacement of HCFC-based equipment installed with assistance from the Fund; and the starting point for aggregate reductions in HCFC consumption. All three issues had a significant impact on funding eligibility, and decisions by the Executive Committee were required to provide guidance and facilitate HPMP preparation.

175. During the discussion, it was pointed out that six potential cut-off dates were being considered. A large number of Members supported 2007 as the cut-off date, some citing 21 September 2007, the date on which the accelerated HCFC phase-out schedule had been agreed. However, one Member pointed out that, while some of the proposed cut-off dates could be ruled out, a single, definitive date could not be chosen without examining the overall cost implications for the Fund. In fact, an appropriate decision on the cut-off date could only be made in the context of a series of other outstanding issues, including: second-stage conversions; the starting point for sustained aggregate reductions in HCFC consumption; eligible incremental costs; cost-effectiveness thresholds for HCFCs; technological upgrades and conversion before the end of equipment's useful life; and the applicability of the low-volume-consuming country category with regard to HCFCs.

176. Some Members stressed the need to move as quickly as possible to provide the requested guidance for HPMP preparation. It was important to set firm parameters to develop HPMPs and to begin approaching the private sector in the various countries to elicit their participation in the HPMPs. One Member also mentioned that the goal of accelerated HCFC phase-out would best be served by establishing equitable conditions for companies across the board, and by agreeing to fund second-stage conversions as a form of incentive for companies. He expressed his country's willingness to show flexibility regarding the establishment of a cut-off date.

177. Given the importance of providing countries with a clear idea of Multilateral Fund assistance for HCFC phase-out, an attempt would be made to consider all principal cost parameters as a package in order to be able to make the required policy decisions. The Chair therefore called for Executive Committee Members, with assistance from the Secretariat, to meet in the margins of the Meeting to discuss the list of outstanding issues mentioned above, taking into account the comments made, and to report back to plenary.

178. The representative of Sweden reported on the deliberations of the informal meeting, saying that there had been a great deal of discussion on general principles, as well as future guidelines and strategies for HCFC conversions. He said that two Members had presented new approaches, one of which entailed shifting incremental operating costs from direct payment to enterprises, as had been the practice, to payment to countries based on a percentage of the capital cost associated with the conversion from HCFCs to the most cost-effective non-HCFC technology available. Those resources could be used at governments' discretion to establish a framework to address climate-related impacts of HCFC phase-out, for example. The other new approach involved a long-term strategy for second-stage conversions beyond 2015 and even 2020, taking into account compliance needs and cost-effectiveness. No substantial progress had been made with regard to the remaining outstanding issues. The Secretariat had therefore

been instructed to request submissions from the two Members who had proposed new approaches, analyse them and present them in a document for consideration by the Executive Committee at its 58th Meeting. It was also proposed that the minutes of the informal meeting be posted on the Multilateral Fund Intranet intersessionally for Members' comments and input on the remaining outstanding issues linked to HCFC conversion, for inclusion in the document to be submitted to the 58th Meeting.

179. The group had also briefly discussed the issue of funding for IS projects after 2010, as it had been requested to do (see paragraph 186), and had concluded that funding renewals for IS projects should be supported up to the end of December 2010. One Member asked that the issue of IS be added as a matter for intersessional comment by the Members.

180. Following the report from the informal meeting, the Executive Committee decided:

- (a) That the two Members proposing new approaches should submit information regarding their proposals to the Secretariat as soon as possible;
- (b) To request the Secretariat to post the minutes of the informal meeting on HCFC phase-out policy issues, and institutional strengthening, including the approaches proposed by the two members, on the Multilateral Fund Intranet by 10 April 2009, for comment by Executive Committee Members;
- (c) To request Members to submit their comments on the posted document to the Secretariat, no later than 24 April 2009; and
- (d) To further request the Secretariat to prepare a document compiling and analysing the new approaches proposed, and the intersessional comments from Members, for consideration by the Executive Committee at its 58th Meeting.

(Decision 57/34)

AGENDA ITEM 12: PRODUCTION SECTOR

- (a) Further elaboration and analysis of issues pertaining to the phase-out of the HCFC production sector (decision 56/65(a) and (b))**
- (b) Summary of information publicly available on relevant elements of the operation of the Clean Development Mechanism and the amounts of HCFC-22 production available for credits**
- (c) Report of the Production Sector Sub-group**

181. The Production Sector Sub-group reconvened at the 57th Meeting of the Executive Committee to finalize the work of the contact group on elements for a future decision with respect to the HCFC production sector as per decision 56/64. The Sub-group consisted of the representatives of Australia, Bolivia, China, the Dominican Republic, Georgia, Germany, Japan, Namibia, Sweden and the United States of America, with the representative of Australia as facilitator. Representatives of UNDP, UNEP, UNIDO and the World Bank were also present as observers. The Sub-group addressed the issues of technical audits in China and an analysis of costs for production closure versus conversion to HFC-32 versus feedstock, and examined the issue of swing plants.

182. The representative of Australia presented the Sub-group's report, making an oral amendment to clarify that some Members noted that there was no relation between the HCFC phase-out on the one hand and incomes from Clean Development Mechanism (CDM) HFC-23 incineration projects on the other, whereas others considered that, in practice, the CDM subsidized HCFC-22 production.

183. Following the presentation of the report and the Sub-group's recommendations, the Executive Committee decided:

- (a) To note that, when preparing any production sector projects, it was understood that, in accordance with usual practice, preparation of production sector phase-out activities would start after the Executive Committee had decided to initiate a technical audit of relevant production facilities;
- (b) To request the Secretariat:
 - (i) To undertake an analysis of the technical feasibility of redirecting HCFC-22 production from controlled uses to feedstock uses;
 - (ii) If such redirection was found technically feasible, to consider in the analysis options for ensuring that any redirection to feedstock uses was sustained;
 - (iii) To consider in the analysis any costs for downstream facilities (for example those that produced polytetrafluoroethylene) associated with the redirected HCFC feedstock use; and
 - (iv) To make the analysis available in time for the 59th Meeting of the Executive Committee;
- (c) To note the information provided by the Secretariat on the Clean Development Mechanism and the amounts of HCFC-22 production available for credits; and
- (d) To consider, at its 59th Meeting, the following issues in particular, but not limited to:
 - (i) Decision XIX/6 (paragraph 15) of the Nineteenth Meeting of the Parties;
 - (ii) HCFC-141b production;
 - (iii) Cut-off dates;
 - (iv) Swing plants.

(Decision 57/35)

AGENDA ITEM 13: INSTITUTIONAL STRENGTHENING BEYOND 2010: FUNDING AND LEVELS (DECISION 53/39)

184. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/63, which contained a review of the current funding arrangements for IS and capacity building for Article 5 countries and analysed the demand for continued IS support in relation to the existing control measures of the Montreal Protocol. It also considered the implications of decision XIX/6 of the Nineteenth Meeting of the Parties, which imposed new obligations with respect to accelerated HCFC phase-out, and provided the Executive Committee with options for funding IS projects beyond 2010. The Secretariat recommended that the funding for overall IS support remain at current levels.

185. Members of the Executive Committee thanked the Secretariat for its excellent analysis, which demonstrated the importance of IS in helping NOUs conduct their work to ensure the success of the Montreal Protocol. It was therefore suggested that the amount of support should, at the very least, be maintained; it should certainly not be reduced. Several Members said that, given the important role currently played by NOUs, the crucial work ahead of them on HCFCs, that might result in an increase in

workload, and the precarious financial climate in which they were operating, the funding levels should in fact be increased. IS was crucial for ensuring the long-term success of the Montreal Protocol in practical terms.

186. Given that IS was a policy issue that was intertwined with other policy matters, for example HCFC phase-out and funding, also under consideration at the Meeting, the Executive Committee referred the issue to the informal group set up to discuss HCFC policy issues and IS under agenda item 11(b) (see paragraph 179).

187. Taking into account the informal group's discussions, the Executive Committee was of the view that future IS funding would need to be considered as part of a package of funding that had to be agreed in the context of HCFC phase-out. The issue therefore required further consideration. The informal group had not reached a conclusion on that matter, and it had been proposed that IS be considered intersessionally by Members as per decision 57/34.

188. Following the discussion, the Executive Committee decided:

- (a) To take note of the Secretariat's paper (document UNEP/OzL.Pro/ExCom/57/63) on review of the current funding arrangements for institutional strengthening (IS);
- (b) To continue to fund requests for the renewal of IS projects up to the end of December 2010 at current levels pending final resolution of the matter by the Executive Committee at its 58th Meeting; and
- (c) To request the Secretariat to continue its work on objectives, indicators and formats so that the results could be applied to requests for renewal of IS projects submitted by the countries from the beginning of 2010 onwards.

(Decision 57/36)

AGENDA ITEM 14: FACILITY FOR ADDITIONAL INCOME FROM LOANS AND OTHER SOURCES (DECISION 55/2)

189. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/64, prepared pursuant to decision 55/2 to enable the Executive Committee to consider at its 57th Meeting a facility for additional income from loans and other sources and the potential uses of those funds. He said that four potential uses were being presented to the Meeting, several or all of which could be pursued simultaneously. The first option would make funds available to undertake pilot projects for co-financing arrangements; the second option would be to attempt to obtain additional resources from public and private sources on either an ongoing or one-off basis; the third option built upon ongoing work in establishing relationships with other funding entities; and the fourth option would attempt to develop the facility further to enable it to seek, house and manage credits for climate change benefits or ODS destruction from global carbon markets. The last option would benefit from any structures that had been established under the first three options.

190. In the discussion, it was observed that the agencies had taken creative approaches to some of the proposed resource mobilization projects, including learning by doing, and by providing 50 per cent matching funds within the context of resource mobilization. Some Members thought that it was important to take that analysis further and it was suggested that the Secretariat be requested to prepare a paper for the 58th Meeting that considered the legal issues, described the structural arrangements and addressed the issues of timing and cash flow, in particular with respect to the voluntary fund, co-financing and the market mechanism. It was also suggested that issues of risk to the Fund and ownership of credits would need to be considered with respect to market mechanism options and suggested that collaboration

with the GEF Secretariat could be undertaken to explore further timing and cash flow issues associated with the option of co-financing. It was also important to await the report of the World Bank on voluntary markets. Members felt that each option should be considered carefully in order to ensure that no perverse incentives were created, and a concern was also raised about creating yet another institution. Although it was important to pay attention to possible climate co-benefits, it was also important that the Executive Committee achieve the goals of the Multilateral Fund.

191. The representative of the Secretariat clarified that, based on his understanding of the discussion, the projects for resource mobilization activities to cover climate co-benefits in the business plans of UNDP, UNIDO and the World Bank for 2009-2011 would be maintained, but that none of the activities in the work programmes could be considered at the present Meeting. He also confirmed his understanding that the Secretariat would continue to pursue contacts and agreements with funding institutions. One Member stressed that it was important to consider all the climate-related issues under a single agenda item that would include the facility for additional income, resource mobilization, and the functional unit approach and suggested that the Secretariat set aside sufficient time at the next Meeting to allow in-depth consideration of the matter.

192. Following the discussion, the Executive Committee decided to request the Secretariat:

- (a) To take note of the document on the facility for additional income from loans and other sources (UNEP/OzL.Pro/ExCom/57/64).
- (b) To prepare a paper on a special funding facility within the Multilateral Fund, together with an executive summary. The paper should take into account the views that had been expressed at the 57th Meeting as compiled by the Secretariat, and would be posted on its intranet, together with any views received by the Secretariat during the intersessional period; and
- (c) To submit the revised paper to the Executive Committee at its 58th Meeting.

(Decision 57/37)

**AGENDA ITEM 15: RECONCILIATION OF THE 2006 AND 2007 ACCOUNTS
(DECISION 56/67)**

193. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/65, which consisted of four sections: reconciliation of the 2006 accounts; reconciliation of the 2007 accounts; 2007 adjustments required by UNDP and the Treasurer; and recommendations.

194. With regard to the two main reconciling items from the 2006 reconciliation of the accounts, the representative of the Secretariat reported that UNEP had explained that the discrepancy of US \$105,494 was related to support cost expenditures for the years prior to 2006 that had been inadvertently recorded against some of its projects in 2006. The World Bank had indicated that it was still investigating the US \$303 excess income and suspected that it could be attributed to an adjustment in the progress report. That amount would therefore remain an outstanding item in the 2006 reconciliation of accounts and would be revisited on the occasion of the 2008 reconciliation of accounts exercise at the 59th Meeting.

195. Concerning the outstanding reconciling items from the 2007 reconciliation of accounts, the World Bank explained that the shortfall of US \$2,686,741 in its income was the result of a double deduction on transfers of funds to the Bank for its approved projects. The Treasurer confirmed that the amount of US \$1,176,270 had been deducted twice from the World Bank's transfer, but was not yet in a position to confirm the double deduction of US \$1,510,471, and further verification was required before refunding the amount to the World Bank. UNEP advised the Secretariat that, after verification of the US \$45,161

surplus in UNEP's accounts, the excess amount was to be returned to the Fund and that it would adjust US \$93,622 in additional expenditures in its 2008 accounts.

196. Following the presentation, the Executive Committee decided:

- (a) To take note of the document on reconciliation of the 2006 and 2007 accounts as contained in document UNEP/OzL.Pro/ExCom/57/65;
- (b) To note that reconciliation of the 2006 and 2007 accounts had been completed for UNEP;
- (c) To note the return of the US \$45,161 surplus for UNEP and to request the Treasurer to offset this amount against future transfers to UNEP;
- (d) To note the World Bank's explanation on the shortfall of US \$2,686,741 and to request the Treasurer to return US \$1,176,270 to the World Bank;
- (e) To note that follow-up actions on the 2006-2007 reconciliation of the accounts exercise had been completed for UNDP, UNEP and UNIDO; and
- (f) That the 2006-2007 reconciliation of the accounts exercise is pending the following reports to be submitted to the 59th Meeting:
 - (i) A report from the World Bank, on the amount of US \$303; and
 - (ii) A report from the Treasurer verifying that the amount of US \$1,510,471 had been deducted twice from the transfers that had been made to the World Bank.

(Decision 57/38)

AGENDA ITEM 16: OPERATION OF THE EXECUTIVE COMMITTEE (DECISION 54/43)

197. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/66, which presented a brief summary of the findings and conclusions from the previous papers prepared on the operation of the Executive Committee. The document contained an analysis of the Executive Committee's workload over the next three years, and concluded with a set of recommendations on the arrangement of Executive Committee Meetings in terms of their number per year, their duration and the Meeting agenda in light of the quantity and complexity of the Committee's future workload. The three options before the Committee for organizing its work were: (i) maintain the *status quo* of holding three meetings a year; (ii) hold two regular meetings with fixed schedules, maintaining the possibility of having a special third meeting in the middle of the year if needed; and (iii) maintain the *status quo* of meeting three times a year with a four-day format.

198. During the discussion, several Members commented that, given the workload ahead of the Executive Committee, particularly with respect to the number of outstanding policy issues on HCFC phase-out, it was desirable to maintain the *status quo*. On the other hand, it was suggested that the issue could usefully be revisited in the future, possibly moving to a two-meeting schedule in 2010 or 2011. One Member suggested maintaining the *status quo* but monitoring objectively the timing of the meetings with respect to the effective and efficient use of time and the number of agenda items, as compared with meetings of the Parties to the Montreal Protocol and the Open-Ended Working Group.

199. Another Member suggested that two meetings a year would be sufficient, with the possibility of a third special meeting that could be scheduled around specific issues if necessary. The Member also said that it would be useful, on a trial basis, to schedule one meeting in 2010 on a four-day basis in order to gain experience and contribute to the future evaluation of the issue. The suggestion was supported by

another Member, who proposed that the timing of that Meeting should be left to the discretion of the Secretariat.

200. Following the discussion, the Executive Committee decided:

- (a) To maintain the *status quo* of holding three meetings a year;
- (b) To request the Secretariat to organize, within the next year, one meeting with a duration of four days, rather than five days;
- (c) To request the Secretariat to monitor the time and workload at Meetings of the Executive Committee as compared to meetings of the Parties to the Montreal Protocol and the Open-Ended Working Group; and
- (d) To place the issue of the operation of Executive Committee Meetings on the agenda for the 61st Meeting, taking into consideration the experience gained pursuant to sub-paragraph (b) and the findings of sub-paragraph (c) above.

(Decision 57/39)

AGENDA ITEM 17: REPORT ON THE REQUEST FROM THE TWENTIETH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL ON STATUS OF AGREEMENTS TO CONVERT METERED-DOSE INHALER MANUFACTURING FACILITIES IN ARTICLE 5 COUNTRIES AND IMPLEMENTATION OF APPROVED PROJECTS (DECISION XX/4)

201. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/67, which had been prepared by the Secretariat in response to paragraph 2 of decision XX/4 of the Twentieth Meeting of the Parties to the Montreal Protocol requesting the Fund Secretariat to report to the Open ended Working Group at its 29th Meeting on the status of agreements to convert MDI manufacturing facilities in Article 5 countries. The Secretariat had requested relevant implementing agencies to provide a progress report on the status of implementation of MDI projects in order to prepare the paper. A draft had been sent to relevant implementing agencies for their review and their comments had been incorporated into the final text.

202. Following the presentation, one Member asked for an update on the current status of implementation of the MDI investment projects approved so far by the Executive Committee. The representative of the Secretariat explained that the main focus had been on requesting information on the estimated amounts of CFCs used for MDIs post-2010, but that the requested information on the current status of implementation of projects could be obtained from the relevant implementing agencies and incorporated into the report.

203. Following the discussion, the Executive Committee decided:

- (a) To request the relevant implementing agencies to submit to the Secretariat a report on the status of implementation of the metered-dose inhaler (MDI) investment projects approved so far by the Executive Committee, no later than 10 April 2009;
- (b) To request the Secretariat to circulate, intersessionally, the amended report on the status of agreements to convert MDI manufacturing facilities in Article 5 countries and implementation of approved projects to Members of the Executive Committee, for their comments, no later than 30 April 2009; and

- (c) To submit the revised report, cleared by the Chair of the Executive Committee, to the 29th Meeting of the Open-ended Working Group of the Parties, no later than 15 May 2009,

(Decision 57/40)

AGENDA ITEM 18: OTHER MATTERS

Report of the Executive Committee to the Open-ended Working Group on the progress made in reducing emissions of controlled substances from process agent uses (follow-up to decision XVII/6 of the Seventeenth Meeting of the Parties)

204. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/57/Inf.2, which contained a report on the progress made in reducing emissions of controlled substances from process agent uses; the associated make-up quantity of controlled substances; the implementation and development of emissions reduction techniques and alternative processes and products not using ODS. The report had been prepared pursuant to decision XVII/6 of the Seventeenth Meeting of the Parties which, *inter alia*, requested the Executive Committee to report to the Open-ended Working Group in 2007 and every other year thereafter on that topic. The document was an update to the report of the Executive Committee submitted to the Open-ended Working Group at its 27th Meeting in 2007, in response to the above mandate.

205. After considering the report, the Executive Committee decided to request the Secretariat to complete the report on the progress made in reducing emissions of controlled substances from process agent uses, taking into account comments provided by Executive Committee Members and, following approval of the final text by the Chair of the Executive Committee, to submit it to the 29th Meeting of the Open-ended Working Group.

(Decision 57/41)

Environmentally sound management of ODS banks (Decision XX/7)

206. The representative of the Secretariat reminded the Executive Committee that in decision XX/7 the Twentieth Meeting of the Parties to the Montreal Protocol had decided, *inter alia*, to request the Ozone Secretariat, with the assistance of the Multilateral Fund Secretariat, to consult with experts from funding institutions and other relevant funding experts to develop a report on possible funding opportunities for the management and destruction of ODS banks. He said that the Ozone Secretariat had indicated that it had held consultations with financial institutions and had requested input from the Multilateral Fund for inclusion in the report to be submitted to the Open-ended Working Group, as well as discussions in the margins of the present Meeting. Owing to unforeseen events, that meeting had not yet taken place.

207. In the ensuing discussion, it was stated that it was expected that the Secretariat of the Multilateral Fund and the Ozone Secretariat would collaborate closely and it was questioned whether the Secretariat needed to make a detailed presentation on its activities. It was suggested that, instead, a presentation could be made when Secretariat activities were discussed. The representative of the Secretariat explained that as the Ozone Secretariat had requested input from the Multilateral Fund and not just from the Fund Secretariat, it had been considered important to inform the Executive Committee of that request.

208. Following the discussion, the Executive Committee decided to give the Secretariat the mandate to provide the Ozone Secretariat with a section on the Multilateral Fund's funding modalities for the report on possible funding opportunities for the management and destruction of ozone depleting substance banks to be transmitted to the Parties at the 29th meeting of the Open-ended Working Group.

(Decision 57/42)

Workshop for a dialogue on high GWP alternatives to ODS (Decision XX/8)

209. The representative of the Secretariat informed the Executive Committee that the Secretariat would participate in the open-ended dialogue being organized by the Ozone Secretariat on high GWP potential alternatives to ODS to be held just prior to the 29th meeting of the Open-ended Working Group.

Dates and venues of the 58th and 59th Meetings of the Executive Committee

210. The representative of the Secretariat recalled that, at its 56th Meeting, the Executive Committee had tentatively decided to hold its 58th Meeting in Montreal from 6 to 10 July 2009. With regard to the 59th Meeting, she also recalled that the Chief Officer had explained that the Government of Egypt would be unable to cover the cost differential of US \$250,000 for staff travel and conference services related to its potential hosting of that Meeting in Sharm El Sheikh (Egypt) from 10 to 14 November. Alternative arrangements could be made for the Committee to meet in Montreal either from 16 to 20 November or from 23 to 27 November, although the ICAO premises would not be available. She pointed out that US \$250,000 was only an estimate and that it might be possible to offset some of that amount by sharing the cost of sponsored delegates' flights with the Ozone Secretariat and by using savings made in other Secretariat budget lines.

211. In the ensuing discussion, concern was expressed about: perceived repeated supplementary budget requests from the Secretariat, despite a significant increase in the Secretariat's budget over recent years; additional costs for delegates that would be incurred by holding the 59th Meeting in Montreal, given that delegates attending both that Meeting and the Twenty-first Meeting of the Parties would require two sets of flights; the carbon emissions associated with those flights; and the awkwardness of the timing of one or other of the alternative Montreal dates for individual delegations.

212. The representative of the Secretariat clarified that the estimated additional costs were provided only for the information of Members of the Executive Committee and were not in fact requests for supplementary funding. In the event that the Executive Committee were to choose to hold its 59th Meeting back-to-back with the Twenty-first Meeting of the Parties, she urged sponsored delegates to provide the Secretariat with the names of their co-opted members at least four weeks before the 59th Meeting to allow the Fund and Ozone Secretariats to make the necessary arrangements for their attendance.

213. Following the discussion, the Executive Committee decided:

- (a) To hold its 58th Meeting in Montreal from 6 to 10 July 2009;
- (b) To hold its 59th Meeting in Sharm El Sheikh (Egypt) from 10 to 14 November 2009, back-to-back with the Twenty-first Meeting of the Parties;
- (c) To request the Secretariat to attempt to offset the additional cost incurred by holding the 59th Meeting in Sharm El Sheikh using savings made in other budget lines and to report on any outstanding amount to the 59th Meeting; and
- (d) To request the Secretariat to prepare for consideration by the Executive Committee at its 60th Meeting an historical analysis of the cost of Executive Committee Meetings.

Decision 57/43)

Tribute to Mr. Hugh Nolan

214. The Executive Committee stood for a minute's silence to mark the news of the tragic death of Mr. Hugh Nolan, the husband of the Chief Officer of the Multilateral Fund Secretariat.

AGENDA ITEM 19: ADOPTION OF THE REPORT

215. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/57/L.1.

AGENDA ITEM 20: CLOSURE OF THE MEETING

216. Following the customary exchange of courtesies, the Chair declared the Meeting closed at 4.30 p.m. on Friday, 3 April 2009.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**Table 1 : STATUS OF THE FUND FROM 1991-2009 (IN US DOLLARS)**

As at 27 March 2009

INCOME		
Contributions received:		
- Cash payments including note encashments		2.126.050.475
- Promissory notes held		28.278.282
- Bilateral cooperation		128.279.998
- Interest earned		192.148.186
- Additional income from loans and other sources		1.198.947
- Miscellaneous income		9.851.710
Total Income		2.485.807.598
ALLOCATIONS* AND PROVISIONS		
- UNDP	564.948.563	
- UNEP	158.534.372	
- UNIDO	536.163.859	
- World Bank	993.524.844	
Unspecified projects per decision 55/2	1.198.947	
Less Adjustments	-	
Total allocations to implementing agencies		2.254.370.585
Secretariat and Executive Committee costs (1991-2009)		
- includes provision for staff contracts into 2011		72.255.676
Treasury fees (2003-2009)		3.050.550
Monitoring and Evaluation costs (1999-2009)		2.941.754
Technical Audit costs (1998-2005)		909.960
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104.750
Bilateral cooperation		128.279.998
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		(37.557.537)
Total allocations and provisions		2.424.355.737
Cash		33.173.579
Promissory Notes:		
	2009	10.445.988
	2010	6.754.402
	2011	1.929.829
	Unscheduled	9.148.063
		28.278.282
BALANCE AVAILABLE FOR NEW ALLOCATIONS		61.451.861

* 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 - 2009 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 27 March 2009

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	1991 - 2008	2009	1991 - 2009
Pledged contributions	234.929.241	424.841.347	472.567.009	440.000.001	474.000.000	367.630.989	2.413.968.587	133.333.334	2.547.301.921
Cash payments/received	206.290.209	381.509.659	412.094.904	406.524.719	415.073.241	298.529.915	2.120.022.647	6.027.828	2.126.050.475
Bilateral assistance	4.366.255	11.955.410	22.035.587	22.658.352	48.181.291	19.083.103	128.279.998	0	128.279.998
Promissory notes	0	0	0	0	2.315.000	25.963.282	28.278.282	0	28.278.282
Total payments	210.656.464	393.465.069	434.130.491	429.183.071	465.569.532	343.576.300	2.276.580.927	6.027.828	2.282.608.755
Disputed contributions	0	8.098.267	0	0	0	32.869.133	40.967.400	0	40.967.400
Outstanding pledges	24.272.777	31.376.278	38.436.518	10.816.930	8.430.468	24.054.689	137.387.660	127.305.506	264.693.166
Payments % age to pledges	89,67%	92,61%	91,87%	97,54%	98,22%	93,46%	94,31%	4,52%	89,61%
Interest earned	5.323.644	28.525.733	44.685.516	53.946.601	19.374.449	40.292.243	192.148.186	0	192.148.186
Additional income						1.198.947	1.198.947	0	1.198.947
Miscellaneous income	1.442.103	1.297.366	1.223.598	1.125.282	1.386.177	3.377.184	9.851.710	0	9.851.710
TOTAL INCOME	217.422.212	423.288.168	480.039.605	484.254.955	486.330.158	388.444.674	2.479.779.770	6.027.828	2.485.807.598
Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	1991 - 2008	2009	1991-2009
Total pledges	234.929.241	424.841.347	472.567.009	440.000.001	474.000.000	367.630.989	2.413.968.587	133.333.334	2.547.301.921
Total payments	210.656.464	393.465.069	434.130.491	429.183.071	465.569.532	343.576.300	2.276.580.927	6.027.828	2.282.608.755
Payments % age to pledges	89,67%	92,61%	91,87%	97,54%	98,22%	93,46%	94,31%	4,52%	89,61%
Total income	217.422.212	423.288.168	480.039.605	484.254.955	486.330.158	388.444.674	2.479.779.770	6.027.828	2.485.807.598
Total outstanding contributions	24.272.777	31.376.278	38.436.518	10.816.930	8.430.468	24.054.689	137.387.660	127.305.506	264.693.166
As % to total pledges	10,33%	7,39%	8,13%	2,46%	1,78%	6,54%	5,69%	95,48%	10,39%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24.272.777	31.376.278	32.764.258	9.811.798	7.511.983	6.366.431	112.103.525	3.135.931	115.239.456
CEITs' outstandings % age to pledges	10,33%	7,39%	6,93%	2,23%	1,58%	1,73%	4,64%	2,35%	4,52%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Ukraine and Uzbekistan, including Turkmenistan up to 2004 as per decision XVI/39.

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

Table 3 : 1991-2009 Summary Status of Contributions

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss, NB:Negative amount =
Australia*	48.100.535	46.828.628	1.271.907	0	0	625.325
Austria	26.949.218	25.381.594	131.790	0	1.435.834	-1.398.077
Azerbaijan	877.648	311.683	0	0	565.965	0
Belarus	2.692.898	0	0	0	2.692.898	0
Belgium	33.386.048	31.602.183	0	0	1.783.865	193.941
Bulgaria	1.185.200	1.152.825	0	0	32.375	0
Canada*	89.673.321	75.392.077	9.400.968	0	4.880.277	-4.585.960
Cyprus	415.396	344.170	0	0	71.225	0
Czech Republic	7.153.586	7.087.496	66.090	0	0	90.458
Denmark	21.973.938	20.572.679	205.000	0	1.196.258	-1.271.724
Estonia	219.063	193.162	0	0	25.901	0
Finland	17.318.499	15.953.652	451.870	0	912.977	-998.220
France	194.764.331	159.478.979	15.937.529	9.148.063	10.199.760	-15.656.955
Germany	285.593.298	216.021.483	41.210.317	14.473.719	13.887.779	-2.469.867
Greece	13.548.017	11.055.929	0	0	2.492.088	-1.496.005
Hungary	4.519.635	4.458.166	46.494	0	14.976	-76.259
Iceland	987.764	927.870	0	0	59.894	-32.755
Ireland	7.968.462	7.968.462	0	0	0	335.944
Israel	10.211.328	3.724.671	152.462	0	6.334.195	0
Italy	152.115.128	129.201.450	14.581.507	0	8.332.171	3.291.976
Japan	503.279.089	454.494.516	16.298.223	0	32.486.350	0
Kuwait	286.549	286.549	0	0	0	0
Latvia	421.695	392.557	0	0	29.138	-2.483
Liechtenstein	241.465	241.464	0	0	0	0
Lithuania	638.329	55.078	0	0	583.251	0
Luxembourg	2.211.785	2.211.785	0	0	0	-109.316
Malta	125.750	51.445	0	0	74.305	0
Monaco	177.961	177.961	0	0	0	-1.388
Netherlands	50.968.899	47.936.975	0	0	3.031.924	0
New Zealand	7.284.806	6.870.405	0	0	414.401	68.428
Norway	19.016.557	19.016.557	0	0	0	17.242
Panama	16.915	16.915	0	0	0	0
Poland	8.336.016	7.066.002	113.000	0	1.157.014	0
Portugal	11.214.523	8.775.618	101.700	0	2.337.205	198.162
Romania	213.435	100.122	0	0	113.313	0
Russian Federation	101.188.721	0	0	0	101.188.721	0
Singapore	531.221	459.245	71.976	0	0	0
Slovak Republic	2.212.588	2.094.084	16.523	0	101.981	0
Slovenia	1.094.600	1.094.600	0	0	0	0
South Africa	3.793.691	3.763.691	30.000	0	0	0
Spain	74.635.481	68.077.179	2.318.844	0	4.239.458	-1.462.766
Sweden	34.186.681	30.624.620	1.828.377	0	1.733.684	-1.181.509
Switzerland	37.202.922	33.321.288	1.913.230	0	1.968.403	-1.775.249
Tajikistan	103.266	8.686	0	0	94.580	0
Turkmenistan**	293.245	5.764	0	0	287.481	0
Ukraine	9.072.002	1.082.925	0	0	7.989.076	0
United Arab Emirate	559.639	559.639	0	0	0	0
United Kingdom	168.592.306	157.275.551	565.000	0	10.751.755	-9.860.479
United States of America	589.083.770	522.143.489	21.567.191	4.656.500	40.716.590	0
Uzbekistan	664.704	188.606	0	0	476.098	0
SUB-TOTAL	2.547.301.921	2.126.050.475	128.279.998	28.278.282	264.693.166	-37.557.537
Disputed Contributions ***	40.967.400	0	0	0	40.967.400	
TOTAL	2.588.269.321	2.126.050.475	128.279.998	28.278.282	305.660.566	

* 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 US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$6,414,880 respectively.

** In accordance with Decisions VI/5 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 in 2004 and therefore its contribution of US \$5,764 for 2005 is for records only.

*** Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only. Amount for the USA netted off from 1996 and 2008 contributions.

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

Table 4 : Status of Contributions for 2009

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2.892.711	2.892.711			0
Austria	1.435.834				1.435.834
Azerbaijan	8.094				8.094
Belarus	32.375				32.375
Belgium	1.783.865				1.783.865
Bulgaria	32.375				32.375
Canada	4.819.027				4.819.027
Cyprus	71.225				71.225
Czech Republic	454.869	454.869			0
Denmark	1.196.258				1.196.258
Estonia	25.900				25.900
Finland	912.976				912.976
France	10.199.760			0	10.199.760
Germany	13.884.041			0	13.884.041
Greece	964.777				964.777
Hungary	394.976	380.000			14.976
Iceland	59.894				59.894
Ireland	720.345	720.345			0
Israel	678.257				678.257
Italy	8.221.645				8.221.645
Japan	26.910.144				26.910.144
Latvia	29.138				29.138
Liechtenstein	16.188	16.188			0
Lithuania	50.181				50.181
Luxembourg	137.594	137.594			0
Malta	27.519				27.519
Monaco	4.856	4.856			0
Netherlands	3.031.924				3.031.924
New Zealand	414.401				414.401
Norway	1.265.865	1.265.865			0
Poland	810.995				810.995
Portugal	853.083				853.083
Romania	113.313				113.313
Russian Federation	1.942.503				1.942.503
Slovak Republic	101.981				101.981
Slovenia	155.400	155.400			0
Spain	4.804.458				4.804.458
Sweden	1.733.684				1.733.684
Switzerland	1.968.403				1.968.403
Tajikistan	1.619				1.619
Ukraine	72.844				72.844
United Kingdom	10.751.755				10.751.755
United States of America	29.333.333				29.333.333
Uzbekistan	12.950				12.950
TOTAL	133.333.334	6.027.828	0	0	127.305.506

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

Table 5 : Status of Contributions for 2008

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2.660.143	2.660.143			0
Austria	1.435.341	1.435.341			0
Azerbaijan	8.355				8.355
Belarus	30.077				30.077
Belgium	1.786.239	1.786.239			0
Bulgaria	28.406	28.406			0
Canada	4.700.366	3.903.141	940.073		(142.848)
Cyprus	65.167	65.167			0
Czech Republic	305.783	305.783			0
Denmark	1.199.738	1.199.738			0
Estonia	20.051	20.051			0
Finland	890.613	890.613			0
France	10.075.793		842.980	9.148.063	84.750
Germany*	14.473.719	964.915	2.891.058	4.824.573	5.793.173
Greece	885.600				885.600
Hungary	210.539	210.539			0
Iceland	56.812	56.812			0
Ireland	584.830	584.830			0
Israel	780.331		114.356		665.975
Italy	8.162.562	4.665.805	1.521.994		1.974.763
Japan	29.362.667	29.362.667	33.900		(33.900)
Latvia	25.064	25.064			0
Liechtenstein	8.355	8.355			0
Lithuania	40.103				40.103
Luxembourg	128.663	128.663			0
Malta	23.393				23.393
Monaco	5.013	5.013			0
Netherlands	2.823.896	1.671.687			1.152.209
New Zealand	369.279	369.279			0
Norway	1.134.571	1.134.571			0
Poland	770.305	424.287			346.018
Portugal	785.344				785.344
Romania	100.122	100.122			0
Russian Federation	1.838.039				1.838.039
Slovak Republic	85.218	85.218			0
Slovenia	137.017	137.017			0
Spain	4.210.779	4.044.217	731.562		(565.000)
Sweden	1.667.602	1.667.602			0
Switzerland	2.000.120	1.997.218	91.689		(88.787)
Tajikistan	1.671				1.671
Ukraine	65.167				65.167
United Kingdom	10.237.875	10.237.875			0
United States of America	11.383.258				11.383.258
Uzbekistan	23.393				23.393
SUB-TOTAL	115.587.380	70.176.379	7.167.612	13.972.636	24.270.753
Disputed Contributions **	17.979.409	0	0	0	17.979.409
TOTAL	133.566.789	70.176.379	7.167.612	13.972.636	42.250.162

* Bilateral assistance of US \$572,817 approved at the 51st Meeting of the Excom applied in 2008 for Germany.

* Bilateral assistance of US \$353,814 approved at the 52nd Meeting of the Excom applied in 2008 for Germany.

** Balance of USA Disputed contribution of US \$32,869,133 of which US \$14,889,724 was applied to 2007.

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

Table 6 : Status of Contributions for 2007

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2.660.143	2.530.193			129.950
Austria	1.435.341	1.435.341			0
Azerbaijan	8.355				8.355
Belarus	30.077				30.077
Belgium	1.786.239	1.786.239			0
Bulgaria	28.406	28.406			0
Canada	4.700.366	4.362.036	339.959		(1.629)
Cyprus	65.167	65.167			0
Czech Republic	305.783	305.783			0
Denmark	1.199.738	1.199.738			0
Estonia	20.051	20.051			0
Finland	890.613	890.613			0
France	10.075.793	9.287.393	839.250		(50.850)
Germany	14.473.719	7.236.859	2.894.691	7.236.859	(2.894.691)
Greece	885.600				885.600
Hungary	210.539	210.539			0
Iceland	56.812	56.812			0
Ireland	584.830	584.830			0
Israel	780.331				780.331
Italy	8.162.562	6.761.775	1.632.512		(231.724)
Japan	29.362.667	29.362.667	62.150		(62.150)
Latvia	25.064	25.064			0
Liechtenstein	8.355	8.355			0
Lithuania	40.103				40.103
Luxembourg	128.663	128.663			0
Malta	23.393				23.393
Monaco	5.013	5.013			0
Netherlands	2.823.896	3.400.000			(576.104)
New Zealand	369.279	369.279			0
Norway	1.134.571	1.134.571			0
Poland	770.305	770.305			0
Portugal	785.344	86.566			698.778
Russian Federation	1.838.039				1.838.039
Slovak Republic	85.218	85.218			0
Slovenia	137.017	137.017			0
Spain	4.210.779	4.210.779			0
Sweden	1.667.602	1.667.602			0
Switzerland	2.000.120	1.603.225	14.844		382.051
Tajikistan	1.671				1.671
Ukraine	65.167				65.167
United Kingdom	10.237.875	10.237.875			0
United States of America *	14.472.943	14.472.943			(0)
Uzbekistan	23.393				23.393
SUB-TOTAL	118.576.943	104.466.918	5.783.406	7.236.859	1.089.759
Disputed Contributions *	14.889.724	0	0	0	14.889.724
TOTAL	133.466.667	104.466.918	5.783.406	7.236.859	15.979.483

* Portion of total Disputed contribution of US \$32,869,133 partly offset in 2007 and the balance in 2008.

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

Table 7 : Status of Contributions for 2006

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2.660.143	2.660.143	129.950		(129.950)
Austria	1.435.341	1.435.341			0
Azerbaijan	8.355				8.355
Belarus	30.077				30.077
Belgium	1.786.239	1.786.239			0
Bulgaria	28.406	28.406			0
Canada	4.700.366	4.095.934	399.455		204.977
Cyprus	65.167	65.167			0
Czech Republic	305.783	305.783			0
Denmark	1.199.738	1.199.738			0
Estonia	20.051	20.051			0
Finland	890.613	890.613			0
France	10.075.793	9.342.968	675.400		57.425
Germany	14.473.719	12.061.432	2.894.744	2.412.286	(2.894.744)
Greece	885.600				885.600
Hungary	210.539	210.539			0
Iceland	56.812	56.812			0
Ireland	584.830	584.830			0
Israel	780.331				780.331
Italy	8.162.562	8.162.562	1.632.512		(1.632.512)
Japan	29.362.667	29.362.667			0
Latvia	25.064	25.064			0
Liechtenstein	8.355	8.355			0
Lithuania	40.103				40.103
Luxembourg	128.663	128.663			0
Malta	23.393	23.393			0
Monaco	5.013	5.013			0
Netherlands	2.823.896	3.400.000			(576.104)
New Zealand	369.279	369.279			0
Norway	1.134.571	1.134.571			0
Poland	770.305	770.305			0
Portugal	785.344	785.344			0
Russian Federation	1.838.039				1.838.039
Slovak Republic	85.218	85.218			0
Slovenia	137.017	137.017			0
Spain	4.210.779	4.215.179			(4.400)
Sweden	1.667.602	1.667.602			0
Switzerland	2.000.120	1.603.345	400.024		(3.249)
Tajikistan	1.671				1.671
Ukraine	65.167				65.167
United Kingdom	10.237.875	10.237.875			0
United States of America	29.362.667	27.021.167		2.341.500	(0)
Uzbekistan	23.393				23.393
TOTAL	133.466.667	123.886.618	6.132.085	4.753.786	(1.305.822)

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

Table 8 : Status of Contributions for 2006-2008

As at 27 March 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	7.980.429	7.850.479	129.950	0	0
Austria	4.306.023	4.306.023	0	0	0
Azerbaijan	25.064	0	0	0	25.064
Belarus	90.231	0	0	0	90.231
Belgium	5.358.718	5.358.718	0	0	0
Bulgaria	85.218	85.218	0	0	0
Canada	14.101.098	12.361.111	1.679.487	0	60.500
Cyprus	195.500	195.500	0	0	0
Czech Republic	917.348	917.348	0	0	0
Denmark	3.599.214	3.599.214	0	0	0
Estonia	60.154	60.154	0	0	0
Finland	2.671.840	2.671.840	0	0	0
France	30.227.380	18.630.361	2.357.630	9.148.063	91.325
Germany *	43.421.156	20.263.206	8.680.493	14.473.719	3.738
Greece	2.656.801	0	0	0	2.656.801
Hungary	631.617	631.617	0	0	0
Iceland	170.436	170.436	0	0	0
Ireland	1.754.491	1.754.491	0	0	0
Israel	2.340.993	0	114.356	0	2.226.637
Italy	24.487.687	19.590.142	4.787.018	0	110.527
Japan	88.088.000	88.088.000	96.050	0	(96.050)
Latvia	75.192	75.192	0	0	0
Liechtenstein	25.064	25.064	0	0	0
Lithuania	120.308	0	0	0	120.308
Luxembourg	385.988	385.988	0	0	0
Malta	70.180	23.393	0	0	46.786
Monaco	15.038	15.038	0	0	0
Netherlands	8.471.687	8.471.687	0	0	0
New Zealand	1.107.836	1.107.836	0	0	0
Norway	3.403.713	3.403.713	0	0	0
Poland	2.310.916	1.964.897	0	0	346.019
Portugal	2.356.031	871.909	0	0	1.484.122
Romania	100.122	100.122	0	0	0
Russian Federation	5.514.116	0	0	0	5.514.116
Slovak Republic	255.654	255.654	0	0	0
Slovenia	411.052	411.052	0	0	0
Spain	12.632.338	12.470.176	731.562	0	(569.400)
Sweden	5.002.807	5.002.807	0	0	0
Switzerland	6.000.361	5.203.789	506.557	0	290.015
Tajikistan	5.013	0	0	0	5.013
Ukraine	195.500	0	0	0	195.500
United Kingdom	30.713.625	30.713.625	0	0	0
United States of America	55.218.867	41.494.110	0	2.341.500	11.383.257
Uzbekistan	70.180	0	0	0	70.180
TOTAL	367.630.989	298.529.915	19.083.103	25.963.282	24.054.689

* Bilateral assistance of US \$572,817 approved at the 51st Meeting of the Excom applied in 2008 for Germany.

* Bilateral assistance of US \$353,814 approved at the 52nd Meeting of the Excom applied in 2008 for Germany.

Table 9: Status of Promissory Notes As At 27 March 2009

MULTILATERAL FUND'S PROMISSORY NOTES

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	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			0					0	0
France		9.148.063	9.148.063					9.148.063	9.148.063
Germany		14.473.719	14.473.719					14.473.719	14.473.719
The Netherlands			0					0	0
United Kingdom			0					0	0
United States of America		4.656.500	4.656.500					4.656.500	4.656.500
TOTAL	0	28.278.282	28.278.282	0	0	0	0	28.278.282	28.278.282

2004-2009 Ledger of Promissory Notes as at 27 March 2009

Table 10: SCHEDULE OF MULTILATERAL FUND PROMISSORY NOTES: 2004 - 2009

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	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)				
25/10/2004	2004	Canada		Can\$	6,216,532.80	3,963,867.12	09/11/2004	IBRD	6,216,532.80	19/01/2005	5,140,136.76	1,176,269.64				
21/04/2005	2005	Canada		Can\$	6,216,532.78	3,963,867.12	Nov. 2005	TREASURER	6,216,532.78	Nov. 2005	5,307,831.95	1,343,964.83				
22/12/2006	2006	Canada		Can\$	4,794,373.31	3,760,292.79	19/01/2007	TREASURER	4,794,373.31	19/01/2007	4,088,320.38	328,027.59				
27/06/2008	2008	Canada		Can\$	4,794,373.31	3,760,292.79	19/09/2008	TREASURER	4,794,373.31	19/09/2008	4,492,899.74	732,606.95				
31/12/2004	2004	France		Euro	10,597,399.70	9,784,322.50	28/09/2006	TREASURER	10,597,399.70	28/09/2006	12,102,125.26	2,317,802.76				
18/01/2006	2005	France		Euro	11,217,315.23	10,356,675.50	28/09/2006	TREASURER	11,217,315.23	28/09/2006	12,810,062.64	2,453,387.14				
20/12/2006	2006	France		Euro	9,342,968.54	9,342,968.43	31/07/2007	TREASURER	7,503,239.54	31/07/2007	10,249,425.21	906,456.78				
Dec.2007	2007	France		Euro	7,483,781.61	9,287,393.43	16/09/2008	TREASURER	7,483,781.61	16/09/2008	10,629,963.40	1,342,569.97				
Dec.2008	2008	France		Euro	7,371,509.51	9,148,063.43	BALANCE	TREASURER								
09/08/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57	03/08/2005	TREASURER	6,304,813.19	03/08/2005	6,304,813.19	-				
							11/08/2006	TREASURER	6,304,813.19	11/08/2006	6,304,813.19	-				
							16/02/2007	TREASURER	3,152,406.60	16/02/2007	3,152,406.60	-				
							10/08/2007	TREASURER	3,152,406.60	10/08/2007	3,152,406.60	-				
									18,914,439.57							
08/07/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83	18/04/2006	TREASURER	1,260,962.64	18/04/2006	1,260,962.64	-				
							11/08/2006	TREASURER	1,260,962.64	11/08/2006	1,260,962.64	-				
							16/02/2007	TREASURER	1,260,962.64	16/02/2007	1,260,962.64	-				
							10/08/2007	TREASURER	1,260,962.64	10/08/2007	1,260,962.64	-				
							12/02/2008	TREASURER	1,260,962.64	12/02/2008	1,260,962.64	-				
							12/08/2008	TREASURER	1,260,962.63	12/08/2008	1,260,962.64	-				
									7,565,775.83							
10/05/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52	28/02/2007	TREASURER	1,943,820.40	28/02/2007	2,558,067.65	145,781.24				
							10/08/2007	TREASURER	1,943,820.40	10/08/2007	2,681,305.85	269,019.44				
							12/02/2008	TREASURER	1,943,820.40	12/02/2008	2,821,066.54	408,780.12				
							12/08/2008	TREASURER	1,943,820.40	12/08/2008	2,930,114.87	517,828.45				
							17/02/2009	TREASURER	1,943,820.40	17/02/2009	2,492,560.89	80,274.47				
							BALANCE	TREASURER	1,943,820.38							
									11,662,922.38							
23/07/2007	2007	Germany	BU 107 1006 01	Euro	11,662,922.38	14,473,718.52	12/02/2008	TREASURER	1,943,820.40	12/02/2008	2,821,066.54	408,780.12				
							12/08/2008	TREASURER	1,943,820.39	12/08/2008	2,930,114.87	517,828.46				
							17/02/2009	TREASURER	1,943,820.40	17/02/2009	2,492,560.89	80,274.47				
							BALANCE	TREASURER	9,719,101.98							
									11,662,922.38							
15/08/2008	2008	Germany	BU 108 1004 01	Euro	4,665,168.96	5,789,487.42	17/02/2009	TREASURER	777,628.16	17/02/2009	997,024.36	32,109.79				
							BALANCE	TREASURER	3,887,640.80							
									4,665,168.96							
08/12/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	17/11/2004	TREASURER	3,364,061.32	17/11/2004	3,364,061.32	-				
08/12/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	05/12/2005	TREASURER	3,364,061.32	05/12/2005	3,364,061.32	-				
18/05/2004	2004	UK		GBP	7,243,564.08	10,718,502.63	23/08/2005	TREASURER	1,207,260.68	23/08/2005	2,166,550.02	380,132.91				
							Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32				
							24/07/2006	TREASURER	3,621,782.04	24/07/2006	4,473,383.73	900,549.53				
									7,243,564.08		12,943,645.39	2,225,142.76				
01/06/2005	2005	UK		GBP	7,243,564.08	10,718,502.63	24/07/2006	TREASURER	1,207,260.68	24/07/2006	2,236,691.86	450,274.75				
							09/08/2006	TREASURER	3,163,681.03	09/08/2006	6,036,303.40	1,354,916.85				
							16/08/2006	TREASURER	2,872,622.37	16/08/2006	5,429,236.28	1,178,537.31				
									7,243,564.08		13,702,231.54	2,983,728.91				
13/05/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	27/10/2005	TREASURER	2,000,000.00	27/10/2005	2,000,000.00	-				
							02/11/2006	TREASURER	2,000,000.00	02/11/2006	2,000,000.00	-				
							25/10/2007	TREASURER	920,000.00	25/10/2007	920,000.00	-				
									4,920,000.00							
01/03/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	02/11/2006	TREASURER	2,000,000.00	02/11/2006	2,000,000.00	-				
							25/10/2007	TREASURER	1,159,700.00	25/10/2007	1,159,700.00	-				
									3,159,700.00							
25/04/2007	2006	USA		US\$	7,315,000.00	7,315,000.00	25/10/2007	TREASURER	2,500,000.00	25/10/2007	2,500,000.00	-				
							19/11/2008	TREASURER	2,500,000.00	19/11/2008	2,500,000.00	-				
							BALANCE	TREASURER	2,315,000.00							
21/02/2008	2006	USA		US\$	4,683,000.00	4,683,000.00	19/11/2008	TREASURER	2,341,500.00	19/11/2008	2,341,500.00	-				
							BALANCE	TREASURER	2,341,500.00							

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

**OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT AS AT 27 MARCH 2009
(IN US\$)**

	Due in 2009	Due in 2010	Due in 2011	TOTAL
FRANCE: Unscheduled				9.148.063,43
GERMANY:				
P. Note: (in US \$ at FERM rate of US \$1:Euro 0.8058)				
2006	2.412.286			2.412.286
2007	2.412.286	4.824.573		7.236.859
2008	964.916	1.929.829	1.929.829	4.824.574
USA:				
2007 Note: (US\$)	2.315.000			2.315.000
2008 Note: (US\$)	2.341.500			2.341.500
	10.445.988	6.754.402	1.929.829	28.278.282

NOTE:

For the triennium 2006 - 2008, Germany opted to pay in Euro, using the FERM.
Germany's annual payment are made in two tranches, February and August.

USA's promissory notes due in 2009 are payable in November.

Annex I

LIST OF COUNTRIES WHICH AS AT 27 MARCH 2009 HAVE EITHER CONFIRMED TO THE TREASURER IN WRITING THAT THEY WOULD BE USING THE FIXED-EXCHANGE-RATE MECHANISM DURING THE 2009 – 2011 REPLENISHMENT PERIOD OR PAID IN NATIONAL CURRENCIES WITHOUT FORMALLY WRITING TO THE TREASURER.

1. Australia
2. Canada
3. Czech Republic
4. France
5. Germany
6. Ireland
7. Luxembourg

Annex II

PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS WERE REQUESTED

Agency	Code	Project Title
UNIDO	BHE/SEV/43/INS/19	Extension of the institutional strengthening project (phase II)
UNEP	ETH/SEV/41/INS/12	Extension of institutional strengthening project (phase IV)
UNEP	ETH/SEV/50/INS/16	Extension of the institutional strengthening project (phase IV)
UNEP	GBS/SEV/50/INS/09	Extension of the institutional strengthening project (phase II)
UNIDO	KUW/HAL/45/PRP/07	Preparation of a halon phase-out plan
UNIDO	LIB/HAL/47/TAS/26	Plan for the phase-out of import and net consumption of halons in the fire fighting sector
UNDP	MDV/REF/38/TAS/05	Implementation of the RMP: awareness and incentive programme
UNDP	MEX/FUM/26/DEM/86	Alternatives to methyl bromide for structural fumigation in Mexico
UNEP	PAN/SEV/44/INS/21	Extension of institutional strengthening project (phase IV)
UNEP	PER/SEV/37/INS/31	Renewal of institutional strengthening project (Phase 3)
UNEP	SOM/SEV/44/INS/05	Establishment of the National Ozone Committee (institutional strengthening)
Australia	VAN/REF/36/TAS/02	Implementation of the PIC Strategy: assistance for enforcing ODS regulations and training programme for customs officers
UNIDO	YUG/PHA/43/TAS/23	National CFC phase-out plan (first tranche)
UNIDO	YUG/SEV/44/INS/25	Extension of institutional strengthening project (phase II)

Annex III

LIST OF ODS DISPOSAL PROJECTS THAT WERE REMOVED FROM THE BUSINESS PLANS AND EXPLANATIONS OF THOSE MAINTAINED IN THE BUSINESS PLANS

Part I

LIST OF ODS DISPOSAL PROJECTS THAT WE REMOVED FROM THE BUSINESS PLANS

Country	Agency	Type	Sector / Sub-Sector	Value (\$000) in 2009	ODP in 2009	Value (\$000) in 2010	ODP in 2010	Value (\$000) in 2011	ODP in 2011	Value (\$000) After 2011	ODP After 2011
Bolivia	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			376	38				
Bolivia	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	32							
Chile	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	645	60	0	0	0	0
Chile	UNIDO	PRP	Pilot project for the destruction of ODSs	65	0	0	0	0	0	0	0
China	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			1,505	151				
China	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	806	50	806	50	0	0
China	UNIDO	PRP	Pilot project for the destruction of ODSs	108	0	0	0	0	0	0	0
Colombia	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			753	75				
Colombia	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	43							
Croatia	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	323	15	0	0	0	0
Croatia	UNIDO	PRP	Pilot project for the destruction of ODSs	32	0	0	0	0	0	0	0
Cuba	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			286	29				
Cuba	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	32							
Democratic People's Republic of Korea	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	218	10	0	0	0	0
Democratic People's Republic of Korea	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0
Egypt	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			753	75				

Country	Agency	Type	Sector / Sub-Sector	Value (\$000) in 2009	ODP in 2009	Value (\$000) in 2010	ODP in 2010	Value (\$000) in 2011	ODP in 2011	Value (\$000) After 2011	ODP After 2011
Egypt	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	43							
Ethiopia	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	131	5	0	0	0	0
Ethiopia	UNIDO	PRP	Pilot project for the destruction of ODSs	32	0	0	0	0	0	0	0
Gabon	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	131	5	0	0	0	0
Gabon	UNIDO	PRP	Pilot project for the destruction of ODSs	32	0	0	0	0	0	0	0
India	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			753	75				
India	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	65							
India	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	1,075	100	1,075	100	0	
India	UNIDO	PRP	Pilot project for the destruction of ODSs	97	0	0	0	0	0	0	0
Iran (Islamic Republic of)	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	538	30	0	0	0	0
Iran (Islamic Republic of)	UNIDO	PRP	Pilot project for the destruction of ODSs	65	0	0	0	0	0	0	0
Jordan	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	436	20	0	0	0	0
Jordan	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0
Mexico	IBRD	DEM	Pilot ODS disposal project	0			100		135		540
Mexico	IBRD	PRP	Preparation of pilot ODS disposal project	54							
Morocco	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	218	10	0	0	0	0
Morocco	UNIDO	PRP	Pilot project for the destruction of ODSs	54	0	0	0	0	0	0	0
Nicaragua	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	218	10	0	0	0	0
Nicaragua	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0
Nigeria	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	860	50	0	0	0	0
Nigeria	UNIDO	PRP	Pilot project for the destruction of ODSs	75	0	0	0	0	0	0	0
Pakistan	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	860	50	0	0	0	0
Pakistan	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0
Serbia	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	860	50	0	0	0	0
Serbia	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0
South Africa	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	860	50	0	0	0	0
South Africa	UNIDO	PRP	Pilot project for the destruction of ODSs	86	0	0	0	0	0	0	0

Country	Agency	Type	Sector / Sub-Sector	Value (\$000) in 2009	ODP in 2009	Value (\$000) in 2010	ODP in 2010	Value (\$000) in 2011	ODP in 2011	Value (\$000) After 2011	ODP After 2011
Syrian Arab Republic	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	436	20	0	0	0	0
Syrian Arab Republic	UNIDO	PRP	Pilot project for the destruction of ODSs	54	0	0	0	0	0	0	0
The Former Yugoslav Republic of Macedonia	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	218	10	0	0	0	0
The Former Yugoslav Republic of Macedonia	UNIDO	PRP	Pilot project for the destruction of ODSs	32	0	0	0	0	0	0	0
Uruguay	UNDP	DEM	Demo on ODS Banks Mgt and Destruction			376	38				
Uruguay	UNDP	PRP	PRP for Demo on ODS Banks Mgt and Destruction	32							
Venezuela (Bolivarian Republic of)	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	1,075	100	1,075	100	0	0
Venezuela (Bolivarian Republic of)	UNIDO	PRP	Pilot project for the destruction of ODSs	75	0	0	0	0	0	0	0
Yemen	UNIDO	DEM	Pilot project for the destruction of ODSs	0	0	436	20	0	0	0	0
Yemen	UNIDO	PRP	Pilot project for the destruction of ODSs	43	0	0	0	0	0	0	0

Part II

ODS DISPOSAL PROJECTS THAT WERE MAINTAINED IN THE BUSINESS PLANS AND DESCRIPTIONS OF THE PROJECTS

A. UNDP

1. Introduction.

1. UNDP included 8 pilot projects on ODS waste management in its business plan as a response to Decision XX/7 from the Meeting of the Parties. In including these proposals UNDP took into consideration the conditions and priorities established by the Decision.

2. All the projects selected by UNDP to be included in its Business Plan have merits to be part of the set of pilots that can contribute to generate practical data and experience on management and financial modalities, achieve climate benefits and explore opportunities to leverage co-financing. Although each one of the countries is in a different stage of advance in the work related to ODS waste management, the group of projects selected represents the geographical and size diversity that will provide the information searched by the decision.

3. In order to establish priorities, each one of these proposals was analyzed against the criteria established by the Decision XX/7 and by the contact group. The projects for UNDP that best complied with the criteria were Brazil and Ghana as explained below.

Brazil

1. **Mandate:** The pilot project will cover a range of activities (collection, transport, storage and destruction of ODS) consistent with decision XX/7, paragraph 2. The project in Brazil will cover all the elements involved in a comprehensive waste management system including collection, transport, storage and destruction of ODS. There are several initiatives and actors already involved in some of the different activities related to ODS waste management, the project will help articulate them to determine a sustainable model.
2. **Legislation:** Brazil has in place legislation to phase out ODS and is in compliance with the agreements with the Excom. In particular Brazil has legislation that promotes best servicing practices in refrigeration including recovery of refrigerants; and through the implementation of the National Phase Out Plan it has established the infrastructure to manage ODSs, including several reclaiming centers. On the other hand Brazil has in place a regulation that requests the power distribution companies to invest 0.5 percent of their net operating revenue to undertake projects that promote energy efficiency. As a result of this regulation several of the power distribution companies have established projects to collect and disassemble old domestic refrigerators in order to be preplaced by more energy efficient ones. These initiatives have generated assembled stocks of ODS with high GWP that needs to be disposed of.
3. **Stocks of ODS:** Currently there is a large stock of ODS being built in the country through the domestic fridges replacement programmes. In 2008 the first pilot project initiated by one utility replaced 50,000 domestic refrigerators. Currently there are ~500,000 refrigerators. There are 7,150 Tonnes of CFC installed in domestic fridges to be disassembled it and replaced by energy efficient ones. In addition 91 ODS tonnes of ODS (including CFCs, HCFCs and mixes) are ready for destruction as result of the recovery and recycling activities;

- and also Brazil, through its environment enforcement body – IBAMA, has cumulated a stock of ODS that should be sent for destruction.
4. Sustainability: It is estimated that there are 50M domestic fridges in use in the country. The government of Brazil has approved at Presidency level a 10 year project to replace 1M domestic fridges per year focusing on low income families. This has stimulated the private sector to compete for the de-manufacturing operations and invest on equipment. Two private companies have started investments to provide this service. Two de-manufacturing units have been purchased.
 5. Co-financing opportunities: In addition to the players mentioned above, with regards to establishment of partnerships and identification of opportunities for co-financing, Germany has donated 5 million euros into a de-manufacturing component that will allow fridge recycling equipment and training as well as certification of recycling standards. In addition to the demonstration on chillers approved by the MLF, Brazil has an approved US 13.5 M GEF project to transform the market for EE products, aimed to replace inefficient chillers, adding to the amount of ODS to be recovered and destroyed.
 6. Provide practical data: Similar appliances schemes have proven successful in developed countries, when proper legislation and incentives are in place and the business is sustainable. Brazil, with the progress achieved on this area as of now, represents an excellent opportunity to demonstrate the applicability of the whole ODS waste management scheme in an Article 5 country with high level of consumption.
 7. The proposed budget of the demo will be within the level of funding discussed by the contact group for this type of projects.

Ghana

1. Mandate: The pilot project will cover a range of activities (collection, transport, storage and destruction of ODS) consistent with decision XX/7, paragraph 2. However destruction of ODS in a country such as Ghana will be prohibitively expensive, and instead, management actions to ensure proper export of these ODS to environmentally sound facilities abroad will be implemented. These methods may be useful for other LVCs in the region.
2. Legislation: Ghana has ODS legislation and a well-functioning licensing system. They are in full compliance with all MP control measures.
3. Stocks of ODS: During a recent mission, it was confirmed that there are a significant number of cylinders of contaminated CFC to be disposed of, stored in the basement of the buildings of the Ghana-EPA. Other quantities were reported to exist at recycling centers and other places. In addition, Ghana, like many other developing countries, has a relatively large local market in inefficient used and rehabilitated refrigerators. It is estimated that there are currently 2.9 million refrigerators/freezers in the residential and non-residential sectors. Ghana is in the process of transforming its national refrigerator market to replace the old, inefficient refrigerators and freezers with new more efficient and environmentally friendly refrigeration appliances. Ghana is planning on using carbon credit finance to help finance the advertising and incentive program that will be removing the older, used refrigeration appliances from the market.
4. Sustainability: The proposal funded with MLF and GEF funds, will seek to put into place a system that would be sustainable without further grant assistance (MLF or GEF). This is also why application for carbon credits are being envisaged. In fact, a PDD will be prepared over

the coming months to look for credits in the Voluntary Market, and efforts will be made to apply for a gold standard, to validate the methodology that will be developed.

5. Co-financing opportunities: The proposed MLF demonstration project would be linked to a GEF proposal entitled “Promoting of Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana” for US\$ 3.95 million (of which US\$ 1.95 million would come from the GEF) which was submitted by UNDP to the GEF in September 2008. During a recent UNDP visit discussions were held with Ghana’s Energy Commission to start a dialogue to harmonize the GEF proposal with the MLF-funded ODS-Waste Demo.
6. Provide practical data: This project is the only one from the 6 demos selected at the 57th ExCom meeting in Africa, and the only one to benefit an LVC. The data and the methodologies that will be derived from this demo will be applicable to many other countries.
7. The proposed budget of the demo will be within the level of funding discussed by the contact group for this type of projects.

B. UNIDO

4. While selecting the destruction projects to be included for approval at the 57th Meeting within the first group of pilot projects, UNIDO took into consideration the following major criteria proposed by the working group:

- A. General preconditions
 - Limitation on number of projects and costs
 - Regional distribution
- B. Project specific requirements
 - ODS legislation in place
 - Priority to countries that have assembled stocks and existing facilities
 - Stocks of ODS with high GWP
 - Pilot projects should cover a range of activities (collection, transport, storage and destruction of ODS)
 - Ensure sustainability of resulting projects from a business perspective
 - Provide practical data
 - Explore opportunities for co-financing

5. Based on the above project specific criteria UNIDO selected from its portfolio one country in each region as follows:

1. Africa – Egypt
2. Asia – China
3. Europe – Turkey
4. Latin America – Mexico

6. The projects selected above met all the criteria. Upon delineation of the list submitted by each of the Implementing Agencies the Secretariat, based on the regional distribution requirement and the limitation of the number of pilot projects to be included in the first group, recommended the following two countries to be selected from the list of UNIDO: Mexico and Turkey.

7. The projects being designed by UNIDO will include the following components:
- a. Inventory of unwanted ODS;
 - b. Collection and transportation;
 - c. Screening and selection of destruction technologies;
 - d. Up-date of national legislation and regulations to support destruction activities;
 - e. Determination of training needs and training programmes to develop capacity in dealing with stockpiling and subsequent destruction of unwanted ODSs;
 - f. Consideration of different potential funding sources (such as CDM and voluntary markets, or other financial instruments).

Mexico has been the largest CFC and HCFC producing country in Latin America, with a diversified industrial infrastructure. Thus, the technical capacity to implement the fairly complicated ODS destruction project is readily available in the country. Mexico has been consuming a multitude of ODSs. The country has implemented a halon phase-out and banking scheme, is working on a MeBr phase-out plan and completing a very successful refrigerant recovery and recycling programme. Over 5,000 technicians were trained on good servicing practices, concentrating also on containment and recovery of refrigerant. A domestic refrigerator replacement programme has been implemented through which old refrigerators were collected and the refrigerants were recovered and recycled wherever it was possible. The unwanted (mixed, seriously contaminated etc.) refrigerants are stocked and are waiting for environmentally sound destruction. Mexico has in place very effective ODS legislation and has been complying with all MP control measures. The ODS awareness programme reached out to the general public all over the country. The results of the project could be replicated in other countries of the Central American and the Caribbean region.

Turkey has been a large ODS consuming European country with a diversified industrial infrastructure, which caters for the technical capacity required to implement the fairly complicated ODS destruction project. Turkey has been consuming a multitude of ODSs. The country implemented a halon phase-out and banking scheme and is working on a MeBr phase-out plan and is completing a very successful refrigerant recovery and recycling programme. Three reclamation centres are fully operational in three major cities of the country. Large groups of refrigeration service technicians were trained on good servicing practices, also concentrating on containment and recovery of refrigerant. An end-user refrigerator replacement programme has been established for retrofitting CFC containing refrigeration equipment. The unwanted (mixed, seriously contaminated etc.) refrigerants are being stocked and they will require environmentally sound destruction. Turkey has in place very effective ODS legislation and has been complying with all MP control measures. The ODS awareness programme reached out to the general public all over the country. The results of the project could be replicated in other countries of the European and Middle East region.

C. World Bank

Description of Proposed Pilot ODS Disposal Projects

(From Annex II of the World Bank Work Programme, UNEP/OzL.Pro/ExCom/57/21)

1. Three pilot ODS disposal projects are proposed in the 2009 World Bank Business Plan and its associated Work Program for the consideration of the 57th Meeting of the Executive Committee. These pilot projects are being proposed for Indonesia, the Philippines, and Mexico.
2. The three pilot ODS disposal projects will be designed to capture different circumstances of unwanted ODS (i.e., sources of unwanted ODS, collection, transportation, packaging, storage, and final disposal) in these three countries. The proposed activity for Mexico will demonstrate the employment of ODS disposal methodologies and criteria developed by the ODS disposal study to unwanted ODS to be

collected from refrigerators and air-conditioners under the Mexico energy efficiency appliances program being developed by the World Bank. Both CFC-12 and CFC-11 from the old units will be collected and disposed of.

3. For Indonesia, the project will address disposal of ODS from illegal imports. This project will explore feasibility of having ODS eliminated by the local disposal facility. The design of this project will be built on experience of the earlier ODS disposal project financed by the Government of Japan as part of its bilateral contribution to the Multilateral Fund.

4. For the Philippines, the project will address not only disposal of bulk CFCs but also contaminated CFCs (mix of CFC-12, HFC-134a and others). For the Philippines, the project will address transportation of CFCs from service shops to the recovery and recycling center financed by the NCPP, packaging, and final disposal.

5. The three pilot projects will also include a financial analysis to determine financial viability of ODS disposal for different streams and for different local conditions. Actual costs of carrying out of ODS disposal are expected to be covered by carbon credits generated by ODS disposal. Disposal of ODS will be carried out at existing disposal facilities that meet the destruction efficiency of at least 99.99%.

6. Expected amounts of ODS to be disposed of are included in the 2009 World Bank Business Plan. For easy reference, those figures are summarized below.

Country	ODP tons				
	2009	2010	2011	2012 - 2015	Total
Indonesia		60			60
Philippines		12			12
Mexico		100	135	540	775

Note: The quantity of ODP tons for Mexico is made on the assumption that 1.2 million refrigerators and a/c will be exchanged under the energy efficiency appliance program.

Annex IV

2009 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNDP

Item	2009 Targets
Number of annual programmes of multi-year agreements approved versus those planned (new plus tranches of ongoing MYAs)	40
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	12
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	36
ODS phased-out for individual projects versus those planned per progress reports	633
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	98
Number of policy/regulatory assistance completed versus that planned	1/1 (100%)
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Annex V

Table 1

2009 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNEP

Item	2009 Targets
Number of annual programmes of multi-year agreements approved versus those planned	56 (51 tranches of approved MYA and 5 new MYA)
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	88
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	51
ODS phased-out for individual projects versus those planned per progress reports	0
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	86
Number of policy/regulatory assistance completed versus that planned	100% of countries listed in Annex I of UNEP's business plan narrative either received assistance or assistance was offered
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Table 2

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

Performance Indicator	Data	Assessment	Target
Efficient follow-up to regional network/thematic meetings	List of recommendations emanating from 2008 regional network/thematic meetings	Implementation rate of those meeting recommendations that are to be implemented in 2009	90 % implementation rate
Effective support to NOUs in their work, particularly guidance to new NOUs	List of innovative ways/means/products/services for supporting NOUs in their work, with specification of those destined for new NOUs	Number of innovative ways/means/products/services for supporting NOUs in their work, with specification of those destined for new NOUs	7 such ways/means/products/services; All new NOUs receive capacity building support
Assistance to countries in actual or potential non-compliance (as per MOP decisions and/or as per reported Article 7 data and trend analysis)	List of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	Number of countries in actual or potential non-compliance that received CAP assistance outside the network meetings	All such countries
Innovations in production and delivery of global and regional information products and services	List of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	Number of global and regional information products and services destined for new target audiences or that reach existing target audiences in new ways	7 such products and services
Close cooperation between CAP regional teams and IAs and BAs working in the regions	List of joint missions/undertakings of CAP regional staff with IAs and BAs	Number of joint missions/undertakings	5 in each region

Annex VI

2009 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNIDO

Item	2009 Targets
Number of annual programmes of multi-year agreements approved versus those planned	28
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	20
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	26
ODS phased-out for individual projects vs. those planned per progress reports	155.2
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	13
Number of policy/regulatory assistance completed versus that planned	N/A
Speed of financial completion versus that required per progress report completion dates	12 months after operational completion
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time

Annex VII

2009 BUSINESS PLAN PERFORMANCE INDICATORS FOR THE WORLD BANK

Item	2009 Target
Number of annual programmes of multi-year agreements approved versus those planned	14/14
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS, institutional strengthening) approved versus those planned	7
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches versus those planned	14
ODS phased-out for individual projects versus those planned per progress reports	229 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	6 ^(*)
Number of policy/regulatory assistance completed versus that planned	100%
Speed of financial completion versus that required per progress report completion dates	11 months
Timely submission of project completion reports versus those agreed	100%
Timely submission of progress reports and responses unless otherwise agreed	100%

() Includes two investment projects, three institutional strengthening projects, and one technical assistance project.*

Annex VIII

Table 1

ANNUAL TRANCHES NOT SUBMITTED TO TWO OR MORE CONSECUTIVE MEETINGS

Country	Agency	Sector	Tranches	Reason for delays	Number of meetings late
Antigua and Barbuda	World Bank	CFC Phase-out plan	2006	As reported to previous meetings, a change to the work plan was necessary since some time had elapsed since the approval of the national CFC phase-out plan. The World Bank has changed the work plan, begun implementation using the funds approved in the first tranche, and is conducting a verification audit..	4
Bahrain	UNDP	CFC Phase-out plan	2008	The grant agreement was signed and implementation started. Phase I was due to have been completed in the first week of March 2009. The submission date for the 2008 tranche (second) will be coordinated between UNDP and UNEP based on progress made in the first tranche. The 2008 tranche will be submitted to either the 58 th or 59 th Meeting. Reasons for delays given to previous meetings were that activities in the first tranche had not been completed due to the delay in hiring a consultant and the associated delay finalizing the specifications for the equipment order.	3
Bahrain	UNEP	CFC Phase-out plan	2008	Implementation of first tranche has been slow. At previous meetings it was reported that there continued delay in signing the memorandum of understanding and transferring funds for the training institute.	3
Cuba	UNDP	ODS Phase-out plan	2008	Under the commercial retrofit programme, the winner of the procurement process for the purchase of materials and equipment was not able to fulfill the contract and the contracting process had to be carried out again. A new contract has been signed and the materials and equipment will arrive shortly. Both the 2008 and 2009 tranches will be submitted in 2009. The reason for delay given to the 56 th Meeting was lack of sufficient disbursement of funds from existing tranches.	2

Country	Agency	Sector	Tranches	Reason for delays	Number of meetings late
Kuwait	UNEP	ODS Phase-out plan	2008	Implementation has been slow. At the 56 th Meeting the reason reported was the death of the national ozone officer and the resulting transition period.	2
Kuwait	UNIDO	ODS Phase-out plan	2008	The delay is due to the lack of a designated national ozone officer following the death of the previous ozone officer. Despite this, UNIDO completed the procurement of equipment and the preparation of training material for training on MAC retrofits.	2
Paraguay	UNDP	CFC Phase-out plan	2008	There has been some progress in the planned activities but the level of disbursement of funds from the approved first tranche remained low since a large portion of the tranche corresponds to the purchase of equipment. The equipment procurement process has advanced and the purchase order was to have been issued in March 2009 resulting in a corresponding expenditure. In view of this, the second tranche will be submitted to the 58 th Meeting. UNEP is the lead agency and is aware of the status. In the previous three meetings, the reason given for the delay had also been lack of sufficient disbursement of funds from the existing approved tranche.	4
Paraguay	UNEP	CFC Phase-out plan	2008	As reported to the 56 th Meeting, there had lack of sufficient disbursement of funds for the investment components of the existing approved tranche. The submission of the 2008 tranche is planned for the 58 th Meeting.	2
Sudan	UNIDO	ODS Phase-out plan	2008	Despite follow-up by UNIDO with the Government of Sudan, the verification report was not completed on time for submission to the 57 th Meeting. The same explanation for the delay was reported to the 56 th Meeting .	2

Country	Agency	Sector	Tranches	Reason for delays	Number of meetings late
Tunisia	World Bank	ODS Phase-out plan	2008	The third party verification audit has not been completed, although further implementation of ongoing activities from the previously approved tranche is expected. The reasons for the delay given to previous meetings include lack of time to engage a firm/consultant and complete a third party audit by the time of the submission deadline and that further implementation of the first tranche was required before a request could be made for the second tranche.	3
Turkey	World Bank	CFC Phase-out plan	2008	The need to establish alternative supervision arrangements for the project since the closure of the Turkey ODS Umbrella Project , in order to ensure that the verification and reporting exercises can be carried out with the full support of all the stakeholders. The same reason was given to the 56 th meeting. It is expected that the 2008 tranche will be submitted to the 58th Meeting.	2
Viet Nam	World Bank	Methyl bromide	2008	Instead of a new grant agreement, the existing agreement for the national CFC and halon phase-out plan is expected to be amended in order to include methyl bromide activities. The next tranche will not be required until end of 2009 (the 59 th Meeting). The same reason for delay was given to the 56 th Meeting.	2

Table 2

ANNUAL TRANCHEs NOT SUBMITTED THAT WERE DUE FOR THE FIRST TIME THIS YEAR FOR SUBMISSION TO THE 57TH MEETING

Country	Agency	Sector	Tranches	Reason for delays
Albania	UNIDO	ODS Phase-out plan	2008	Sufficient funds are available under the existing approved tranches and therefore the final two tranches will be submitted to the 59 th Meeting.
Algeria	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing approved tranche. The 2009 tranche is expected to be submitted to the 59 th Meeting.
Cameroon	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing approved tranches. The 2009 tranche will be submitted to the 58 th Meeting.

Country	Agency	Sector	Tranches	Reason for delays
Cape Verde	UNEP	CFC Phase-out plan	2009	Late delivery of training equipment.
Congo	UNEP	ODS Phase-out plan	2009	The investment component has not yet started.
Congo	UNIDO	ODS Phase-out plan	2009	The investment component has not yet started.
Djibouti	UNEP	CFC Phase-out plan	2009	The investment component has not yet started.
Egypt	UNIDO	CFC Phase-out plan	2008	UNIDO and the Egyptian Environmental Affairs Agency have experienced delays in executing the retrofit demonstration projects as part of the second and third tranches of the national CFC phase-out plan, which has resulted in the delay the submission of the final 2008 tranche.
Eritrea	UNEP	ODS Phase-out plan	2009	Implementation has not yet started due to lack of ODS legislation
Eritrea	UNIDO	ODS Phase-out plan	2009	Implementation has not yet started due to lack of ODS legislation
Guyana	UNDP	CFC Phase-out plan	2009	Project implementation has been delayed and funds remain available from the approved first tranche. It is expected that the request for the 2009 tranche will be submitted to the 58 th Meeting.
Guyana	UNEP	CFC Phase-out plan	2009	There is a large operating balance due to the lack of a new ozone officer who remains to be appointed following the death of the ozone officer in October, 2008. UNDP components have not yet been implemented. The 2009 tranche will be submitted to the 58 th Meeting.
Lao People's Democratic Republic	France	CFC Phase-out plan	2009	Although the first tranche was approved in April 2008, there has been a delay in the preparation of the financial agreement.
Montenegro	UNIDO	ODS Phase-out plan	2009	Sufficient funds are available under the existing approved tranches and therefore the 2009 tranche will be submitted to the 58 th Meeting.
Niger	UNEP	CFC Phase-out plan	2009	Late delivery of training equipment.
Niger	UNIDO	CFC Phase-out plan	2009	Delay in the tranche of UNEP, the lead implementing agency

Country	Agency	Sector	Tranches	Reason for delays
Qatar	UNEP	CFC Phase- out plan	2009	Slow implementation
Qatar	UNIDO	CFC Phase- out plan	2009	Slow implementation
Tanzania	UNDP	ODS Phase- out plan	2009	Slow implementation
Tanzania	UNEP	ODS Phase- out plan	2009	Slow implementation.

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ALBANIA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (additional funding)	UNIDO		\$55,000	\$4,125	\$59,125	
Total for Albania			\$55,000	\$4,125	\$59,125	
ALGERIA						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase V)	UNEP		\$257,400		\$257,400	
Total for Algeria			\$257,400		\$257,400	
ARGENTINA						
PRODUCTION						
CFC closure						
Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2009 annual programme	IBRD		\$1,000,000	\$47,000	\$1,047,000	
<i>The Government and the World Bank were requested to submit a verification report and information on the control of the supply of CTC to the first meeting of 2010.</i>						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (air-conditioning manufacturing sector)	UNIDO		\$80,000	\$6,000	\$86,000	
<i>Approved on the understanding that no further funding for project preparation to meet the 2013 and 2015 control measures for the air conditioning manufacturing sector would be approved by the Executive Committee.</i>						
Total for Argentina			\$1,080,000	\$53,000	\$1,133,000	
ARMENIA						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration sector)	UNDP		\$30,000	\$2,250	\$32,250	
SEVERAL						
Ozone unit support						
Institutional strengthening (phase I)	UNIDO		\$120,000	\$9,000	\$129,000	
<i>Approved for two years only.</i>						
Total for Armenia			\$150,000	\$11,250	\$161,250	
BANGLADESH						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration sector)	UNDP		\$50,000	\$3,750	\$53,750	
PHASE-OUT PLAN						
ODS phase out plan						
National ODS phase-out plan (second, third and fourth tranches)	UNEP		\$177,175	\$23,033	\$200,208	
<p><i>The Committee noted the progress report on the implementation of the first tranche of the phase-out plan, including the efforts of Bangladesh to effectively reduce its consumption of CFCs for the refrigeration servicing sector. Applied the penalty in the Agreement calculated, on an exceptional basis, as 5 per cent of the amount for each of the second, third and fourth tranches, on the basis of the following considerations: (i) the levels of CFCs used in the refrigeration servicing sector alone had been reduced from 232.1 ODP tonnes in 2004 to 59.9 ODP tonnes in 2008; (ii) the status of non-compliance by Bangladesh with its Agreement was attributable to a large extent to the CFC consumption associated with the manufacturing of CFC metered-dose inhalers, for which a phase-out project had been approved only at the 52nd Meeting in 2007. The Committee also noted that the maximum level of CFC consumption for both the refrigeration servicing and the pharmaceutical sub-sectors in 2009 was 53.0 ODP tonnes as stipulated in the Agreement, and if this amount was exceeded the Committee might consider applying paragraph 10 of the Agreement on reductions in funding in full, for failure to comply. The Government and UNDP were requested to submit a progress report on the implementation of the national ODS phase-out plan and the project for the phase-out of CFCs in the MDI sector to the 60th Meeting.</i></p>						
National ODS phase-out plan (second, third and fourth tranches)	UNDP	202.6	\$669,750	\$50,231	\$719,981	2.66
<p><i>The Committee noted the progress report on the implementation of the first tranche of the phase-out plan, including the efforts of Bangladesh to effectively reduce its consumption of CFCs for the refrigeration servicing sector. Applied the penalty in the Agreement calculated, on an exceptional basis, as 5 per cent of the amount for each of the second, third and fourth tranches, on the basis of the following considerations: (i) the levels of CFCs used in the refrigeration servicing sector alone had been reduced from 232.1 ODP tonnes in 2004 to 59.9 ODP tonnes in 2008; (ii) the status of non-compliance by Bangladesh with its Agreement was attributable to a large extent to the CFC consumption associated with the manufacturing of CFC metered-dose inhalers, for which a phase-out project had been approved only at the 52nd Meeting in 2007. The Committee also noted that the maximum level of CFC consumption for both the refrigeration servicing and the pharmaceutical sub-sectors in 2009 was 53.0 ODP tonnes as stipulated in the Agreement, and if this amount was exceeded the Committee might consider applying paragraph 10 of the Agreement on reductions in funding in full, for failure to comply. The Government and UNDP were requested to submit a progress report on the implementation of the national ODS phase-out plan and the project for the phase-out of CFCs in the MDI sector to the 60th Meeting.</i></p>						
Total for Bangladesh		202.6	\$946,925	\$80,764	\$1,027,689	

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			Project	Support	Total	
BELIZE						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (second tranche)	UNDP	3.7	\$72,000	\$6,480	\$78,480	
Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (second tranche)	UNEP		\$48,000	\$6,240	\$54,240	
	Total for Belize	3.7	\$120,000	\$12,720	\$132,720	
BENIN						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	
	Total for Benin		\$85,000	\$11,050	\$96,050	
BOLIVIA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	
PHASE-OUT PLAN						
ODS phase out plan						
Terminal phase-out management plan (second tranche)	UNDP	11.4	\$222,000	\$16,650	\$238,650	
Terminal phase-out management plan (second tranche)	Canada		\$88,000	\$11,440	\$99,440	
	Total for Bolivia	11.4	\$360,000	\$31,840	\$391,840	
BOTSWANA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agency was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>	Germany	1.0	\$155,000	\$20,150	\$175,150	
	Total for Botswana	1.0	\$155,000	\$20,150	\$175,150	
BRAZIL						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$150,000	\$11,250	\$161,250	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector)	UNDP		\$80,000	\$6,000	\$86,000	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Preparation for HCFC phase-out investment activities (air-conditioning manufacturing)	UNDP		\$80,000	\$6,000	\$86,000	
SOLVENT						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (solvent sector)	UNDP		\$48,000	\$3,600	\$51,600	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (extruded polystyrene foam sector)	Germany		\$42,000	\$5,460	\$47,460	
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	UNDP		\$40,000	\$3,000	\$43,000	
Total for Brazil			\$440,000	\$35,310	\$475,310	
BURKINA FASO						
PHASE-OUT PLAN						
CFC phase out plan						
TPMP verification	UNEP		\$20,000	\$2,600	\$22,600	
Total for Burkina Faso			\$20,000	\$2,600	\$22,600	
BURUNDI						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000	
Total for Burundi			\$60,000		\$60,000	
CAMBODIA						
SOLVENT						
Technical assistance/support						
Technical assistance for the total phase-out of CTC and TCA in the solvent sector	UNIDO	0.1	\$40,000	\$3,600	\$43,600	
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for the phase-out of CFCs (second tranche)	UNEP		\$50,000	\$6,500	\$56,500	
Terminal phase-out management plan for the phase-out of CFCs (second tranche)	UNDP	7.0	\$85,000	\$6,375	\$91,375	
Total for Cambodia			7.1	\$175,000	\$16,475	\$191,475
CAPE VERDE						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
Total for Cape Verde			\$60,000		\$60,000	

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			Project	Support	Total	
CENTRAL AFRICAN REPUBLIC						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000	
Total for Central African Republic			\$60,000		\$60,000	
CHAD						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (second tranche)	UNEP		\$77,000	\$10,010	\$87,010	
Terminal phase-out management plan (second tranche)	UNDP	5.2	\$82,000	\$7,380	\$89,380	
Total for Chad			5.2	\$159,000	\$17,390	\$176,390
CHILE						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	
FUMIGANT						
Methyl bromide						
Project preparation in the elimination of methyl bromide in soil fumigation	UNIDO		\$50,000	\$3,750	\$53,750	
<i>Approved on the understanding that this constitutes the final funding for preparation of methyl bromide phase-out projects.</i>						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing)	UNDP		\$50,000	\$3,750	\$53,750	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VIII)	UNDP		\$186,550	\$13,991	\$200,541	
Total for Chile			\$336,550	\$25,241	\$361,791	
CHINA						
FOAM						
Preparation of project proposal						
Preparation of a HCFC phase-out demonstration project (foam system house)	IBRD		\$80,000	\$6,000	\$86,000	
Preparation of a HCFC phase-out demonstration project (spray foam sector)	IBRD		\$30,000	\$2,250	\$32,250	
Preparation of a HCFC phase-out demonstration project (foam insulation for water heaters)	IBRD		\$30,000	\$2,250	\$32,250	

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			Project	Support	Total	
PROCESS AGENT						
Sectoral phase out plan						
Phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I): 2009 annual programme	IBRD		\$1,000,000	\$75,000	\$1,075,000	
<i>The World Bank was requested to provide, as part of their verification of the 2009 CTC production, information on management, treatment and monitoring of CTC containing residue in order to prevent CTC in the residue being released to the environment. The next verification report should contain a section describing how this requirement was enacted, and the results.</i>						
PRODUCTION						
CFC closure						
Sector plan for CFC production phase-out: 2009 annual programme	IBRD		\$7,500,000	\$562,500	\$8,062,500	
<i>The Government and the World Bank were requested to include the review of licenses for the sale of CFCs to MDI manufacturers in 2008 and 2009 as part of the verification report to be submitted to the first meeting of 2010. The Government and the World Bank were urged to make all efforts to submit the verification report as early as possible in 2010 in order to resolve any potential issues in advance of the dispatch of documents to the Executive Committee.</i>						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan: extruded polystyrene foam (additional funding)	Germany		\$201,370	\$26,178	\$227,548	
Total for China			\$8,841,370	\$674,178	\$9,515,548	
COLOMBIA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$150,000	\$11,250	\$161,250	
Total for Colombia			\$150,000	\$11,250	\$161,250	
COMOROS						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNEP		\$60,000	\$0	\$60,000	
Total for Comoros			\$60,000		\$60,000	
CONGO						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNEP		\$60,000	\$0	\$60,000	
Total for Congo			\$60,000		\$60,000	

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			Project	Support	Total	
CONGO, DR						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (second tranche)	UNDP	5.0	\$71,875	\$5,391	\$77,266	
National CFC phase-out plan (second tranche)	UNEP		\$71,875	\$9,344	\$81,219	
	Total for Congo, DR	5.0	\$143,750	\$14,735	\$158,485	
COSTA RICA						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector)	UNDP		\$60,000	\$4,500	\$64,500	
	Total for Costa Rica		\$60,000	\$4,500	\$64,500	
COTE D'IVOIRE						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	
CFC phase out plan						
TPMP verification	UNEP		\$20,000	\$2,600	\$22,600	
	Total for Cote D'Ivoire		\$105,000	\$13,650	\$118,650	
CROATIA						
FOAM						
Preparation of project proposal						
Project preparation for the phase-out of HCFC-141b in polyurethane foam production	UNIDO		\$40,000	\$3,000	\$43,000	
<i>Approved on the understanding that no further funding for project preparation to meet the 2013 and 2015 control measures for the foam sector would be approved by the Executive Committee.</i>						
	Total for Croatia		\$40,000	\$3,000	\$43,000	
CUBA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	
	Total for Cuba		\$50,000	\$3,750	\$53,750	
DJIBOUTI						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
	Total for Djibouti		\$60,000		\$60,000	

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			Project	Support	Total	
DOMINICA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	
Total for Dominica			\$85,000	\$11,050	\$96,050	
DOMINICAN REPUBLIC						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$60,000	\$4,500	\$64,500	
Total for Dominican Republic			\$60,000	\$4,500	\$64,500	
EGYPT						
FOAM						
Preparation of project proposal						
Preparation for validation of low-cost hydrocarbon in foams	UNDP		\$30,000	\$2,250	\$32,250	
Total for Egypt			\$30,000	\$2,250	\$32,250	
EL SALVADOR						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$30,000	\$2,250	\$32,250	
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for Annex A Group I substances (second and third tranches)	UNEP		\$30,000	\$3,900	\$33,900	
Terminal phase-out management plan for Annex A Group I substances (second and third tranches)	UNDP	46.0	\$285,000	\$21,375	\$306,375	
Total for El Salvador		46.0	\$345,000	\$27,525	\$372,525	
EQUATORIAL GUINEA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (first tranche)	UNEP	4.6	\$105,000	\$13,650	\$118,650	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agency was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>						
SEVERAL						
Ozone unit support						
Institutional strengthening (phase I)	UNEP		\$80,000	\$0	\$80,000	
<i>Approved for two years only.</i>						
Total for Equatorial Guinea		4.6	\$185,000	\$13,650	\$198,650	

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			Project	Support	Total	
GABON						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (second tranche)	UNEP		\$50,000	\$6,500	\$56,500	
Terminal phase-out management plan (second tranche)	UNDP	1.5	\$40,000	\$3,600	\$43,600	
	Total for Gabon	1.5	\$90,000	\$10,100	\$100,100	
GAMBIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$72,000	\$9,360	\$81,360	
Terminal phase-out management plan for CFCs (second tranche)	UNDP	3.6	\$30,500	\$2,745	\$33,245	
	Total for Gambia	3.6	\$102,500	\$12,105	\$114,605	
GEORGIA						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration sector)	UNDP		\$30,000	\$2,250	\$32,250	
PHASE-OUT PLAN						
CFC phase out plan						
TPMP verification	UNDP		\$20,000	\$1,800	\$21,800	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNDP		\$60,667	\$4,550	\$65,217	
	Total for Georgia		\$110,667	\$8,600	\$119,267	
GHANA						
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Ghana		\$30,000	\$2,250	\$32,250	
GUATEMALA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNIDO		\$75,000	\$5,625	\$80,625	
Preparation of a HCFC phase-out management plan	UNEP		\$75,000	\$9,750	\$84,750	
	Total for Guatemala		\$150,000	\$15,375	\$165,375	

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			Project	Support	Total	
GUINEA-BISSAU						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	
Total for Guinea-Bissau			\$85,000	\$11,050	\$96,050	
HAITI						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	
Total for Haiti			\$85,000	\$11,050	\$96,050	
HONDURAS						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNEP		\$60,000	\$0	\$60,000	
Total for Honduras			\$60,000		\$60,000	
INDONESIA						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector except air-to-air air-conditioning)	UNDP		\$70,000	\$5,250	\$75,250	
Preparation for HCFC phase-out investment activities (air-to-air air-conditioning sector)	UNDP		\$20,000	\$1,500	\$21,500	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (foam sector)	IBRD		\$100,000	\$7,500	\$107,500	
<i>Approved on the understanding that no further funding for project preparation for the foam sector to meet the 2013 and 2015 HCFC control measures would be approved.</i>						
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	IBRD		\$50,000	\$3,750	\$53,750	
Total for Indonesia			\$240,000	\$18,000	\$258,000	
IRAN						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (rigid foam)	UNDP		\$30,000	\$2,250	\$32,250	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector except air-to-air air-conditioning)	UNDP		\$45,000	\$3,375	\$48,375	
SOLVENT						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (fire-fighting and solvent sectors)	UNDP		\$10,000	\$750	\$10,750	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (foam sector)	Germany		\$70,000	\$9,100	\$79,100	
CFC phase out plan						
National CFC phase-out plan: 2009 annual implementation programme	Germany	132.7	\$512,208	\$56,343	\$568,551	
<i>The Government of Germany was requested to provide an annual implementation programme for 2010 not later than the 60th Meeting.</i>						
	Total for Iran	132.7	\$667,208	\$71,818	\$739,026	
IRAQ						
FOAM						
Flexible slabstock						
Conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Al Hadi Co.	UNIDO	20.0	\$126,457	\$11,381	\$137,838	6.23
<i>Approved without prejudice to the non-compliance mechanism of the Montreal Protocol, and on the understanding that no other project for the phase-out of CFCs in the foam sector would be approved for Iraq outside the national phase-out plan.</i>						
REFRIGERATION						
Domestic						
Replacement of refrigerant CFC-12 with isobutane and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company	UNIDO	193.6	\$2,161,581	\$162,119	\$2,323,700	11.17
<i>Approved without prejudice to the non-compliance mechanism of the Montreal Protocol, and on the understanding that no other project for the phase-out of CFCs in the refrigeration manufacturing sector would be approved for Iraq outside the national phase-out plan.</i>						
SEVERAL						
Ozone unit support						
Institutional strengthening (phase I)	UNEP		\$240,000	\$0	\$240,000	
<i>Approved for two years only.</i>						
	Total for Iraq	213.6	\$2,528,038	\$173,500	\$2,701,538	
KENYA						
SOLVENT						
Technical assistance/support						
Technical assistance for the total phase-out of CTC and TCA in the solvent sector	UNIDO	0.2	\$40,000	\$3,600	\$43,600	

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	
PHASE-OUT PLAN						
CFC phase out plan						
Terminal CFCs phase-out management plan (third tranche)	France	10.0	\$179,086	\$23,281	\$202,367	
	Total for Kenya	10.2	\$219,086	\$26,881	\$245,967	
KUWAIT						
PHASE-OUT PLAN						
CFC phase out plan						
TPMP verification	UNEP		\$20,000	\$2,600	\$22,600	
	Total for Kuwait		\$20,000	\$2,600	\$22,600	
KYRGYZSTAN						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration sector)	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Kyrgyzstan		\$30,000	\$2,250	\$32,250	
LEBANON						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$25,000	\$1,875	\$26,875	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (air-to-air air-conditioning sector)	UNDP		\$15,000	\$1,125	\$16,125	
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector except air-to-air air-conditioning)	UNDP		\$60,000	\$4,500	\$64,500	
	Total for Lebanon		\$100,000	\$7,500	\$107,500	
LESOTHO						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	Germany		\$85,000	\$11,050	\$96,050	
	Total for Lesotho		\$85,000	\$11,050	\$96,050	
LIBERIA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	Germany		\$85,000	\$11,050	\$96,050	
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNDP	8.4	\$28,000	\$2,520	\$30,520	
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$81,500	\$10,595	\$92,095	

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	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase III)	UNEP		\$85,213	\$0	\$85,213	
	Total for Liberia	8.4	\$279,713	\$24,165	\$303,878	
MACEDONIA, FYR						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VI)	UNIDO		\$132,347	\$9,926	\$142,273	
	Total for Macedonia, FYR		\$132,347	\$9,926	\$142,273	
MALAWI						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$77,000	\$10,010	\$87,010	
Terminal phase-out management plan for CFCs (second tranche)	UNDP	8.7	\$47,500	\$4,275	\$51,775	
	Total for Malawi	8.7	\$124,500	\$14,285	\$138,785	
MALAYSIA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$100,000	\$7,500	\$107,500	
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (air-to-air air-conditioning sector)	UNDP		\$30,000	\$2,250	\$32,250	
Preparation for HCFC phase-out investment activities (refrigeration manufacturing sector except air-to-air air-conditioning)	UNDP		\$120,000	\$9,000	\$129,000	
	Total for Malaysia		\$250,000	\$18,750	\$268,750	
MALI						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$78,000	\$10,140	\$88,140	
Terminal phase-out management plan for CFCs (second tranche)	UNDP	16.2	\$150,000	\$11,250	\$161,250	
	Total for Mali	16.2	\$228,000	\$21,390	\$249,390	
MAURITANIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNDP	2.4	\$55,000	\$4,950	\$59,950	

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	
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$59,000	\$7,670	\$66,670	
SEVERAL						
Ozone unit support						
Renewal of the institutional strengthening project (phase V)	UNEP		\$60,000	\$0	\$60,000	
Total for Mauritania		2.4	\$174,000	\$12,620	\$186,620	
MEXICO						
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	UNIDO		\$50,000	\$3,750	\$53,750	
Total for Mexico			\$50,000	\$3,750	\$53,750	
MOZAMBIQUE						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IV)	UNEP		\$80,800	\$0	\$80,800	
Total for Mozambique			\$80,800		\$80,800	
MYANMAR						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$42,500	\$5,525	\$48,025	
Preparation of a HCFC phase-out management plan	UNIDO		\$42,500	\$3,188	\$45,688	
Total for Myanmar			\$85,000	\$8,713	\$93,713	
NAMIBIA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (additional funding)	Germany		\$55,000	\$7,150	\$62,150	
Total for Namibia			\$55,000	\$7,150	\$62,150	
NEPAL						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (second tranche)	UNEP		\$35,000	\$4,550	\$39,550	
Terminal phase-out management plan (second tranche)	UNDP		\$25,000	\$2,250	\$27,250	
Total for Nepal			\$60,000	\$6,800	\$66,800	
NIGERIA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	

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	
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (sixth tranche)	UNDP	464.6	\$385,000	\$32,770	\$417,770	
<i>Approved on the understanding that the verification of consumption had to be provided as part of the request for every second funding tranche under the Agreement approved at the 38th Meeting, and with the expectation that verification reports for 2007 and 2008 would be submitted to the Secretariat in time for the 58th Meeting.</i>						
Total for Nigeria		464.6	\$435,000	\$36,520	\$471,520	
OMAN						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (second tranche)	UNIDO	25.0	\$164,200	\$12,315	\$176,515	
Audit for the terminal phase-out management plan	UNIDO		\$20,000	\$1,800	\$21,800	
Total for Oman		25.0	\$184,200	\$14,115	\$198,315	
PAKISTAN						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase V)	UNDP		\$224,467	\$16,835	\$241,302	
Total for Pakistan			\$224,467	\$16,835	\$241,302	
PANAMA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	
Total for Panama			\$50,000	\$3,750	\$53,750	
PAPUA NEW GUINEA						
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	Germany		\$85,000	\$11,050	\$96,050	
Total for Papua New Guinea			\$85,000	\$11,050	\$96,050	
PARAGUAY						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$60,000	\$4,500	\$64,500	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (additional funding)	UNDP		\$65,000	\$4,875	\$69,875	
Total for Paraguay			\$125,000	\$9,375	\$134,375	

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	
PERU						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$80,000	\$6,000	\$86,000	
Total for Peru			\$80,000	\$6,000	\$86,000	
PHILIPPINES						
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	IBRD		\$50,000	\$3,750	\$53,750	
Total for Philippines			\$50,000	\$3,750	\$53,750	
RWANDA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNDP	4.6	\$43,500	\$3,915	\$47,415	
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$67,000	\$8,710	\$75,710	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase III)	UNEP		\$60,000	\$0	\$60,000	
Total for Rwanda			4.6	\$170,500	\$12,625	\$183,125
SAMOA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan (second tranche)	UNDP		\$30,000	\$2,700	\$32,700	
Terminal phase-out management plan (second tranche)	UNEP		\$20,000	\$2,600	\$22,600	
Total for Samoa			\$50,000	\$5,300	\$55,300	
SAO TOME AND PRINCIPE						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$21,000	\$2,730	\$23,730	
Terminal phase-out management plan for CFCs (second tranche)	UNIDO	0.7	\$49,000	\$4,410	\$53,410	
TPMP verification	UNEP		\$20,000	\$2,600	\$22,600	
Total for Sao Tome and Principe			0.7	\$90,000	\$9,740	\$99,740

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SENEGAL						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$100,500	\$13,065	\$113,565	
Terminal phase-out management plan for CFCs (second tranche)	Italy	23.4	\$135,000	\$17,550	\$152,550	
	Total for Senegal	23.4	\$235,500	\$30,615	\$266,115	
SIERRA LEONE						
PHASE-OUT PLAN						
ODS phase out plan						
Terminal phase-out management plan (first tranche)	UNEP		\$95,000	\$12,350	\$107,350	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>						
Terminal phase-out management plan (first tranche)	UNDP	12.2	\$40,000	\$3,600	\$43,600	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>						
	Total for Sierra Leone	12.2	\$135,000	\$15,950	\$150,950	
SRI LANKA						
MULTI-SECTOR						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam and solvent sectors)	UNDP		\$40,000	\$3,000	\$43,000	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan (refrigeration and air-conditioning sectors)	IBRD		\$60,000	\$4,500	\$64,500	
	Total for Sri Lanka		\$100,000	\$7,500	\$107,500	
SWAZILAND						
REFRIGERATION						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (refrigeration manufacturing)	UNDP		\$30,000	\$2,250	\$32,250	
	Total for Swaziland		\$30,000	\$2,250	\$32,250	
TANZANIA						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$50,000	\$3,750	\$53,750	
PHASE-OUT PLAN						
HCFC phase out plan						
Preparation of a HCFC phase-out management plan	UNEP		\$85,000	\$11,050	\$96,050	

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	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IV)	UNEP		\$60,000	\$0	\$60,000	
	Total for Tanzania		\$195,000	\$14,800	\$209,800	
THAILAND						
FUMIGANT						
Methyl bromide						
National methyl bromide phase-out plan (third tranche)	IBRD	73.3	\$942,395	\$70,680	\$1,013,075	
<i>The Government and the World Bank were requested to continue monitoring the phase-out of MB in Thailand and report back to the Executive Committee annually on the progress in meeting the reductions required by this project.</i>						
	Total for Thailand	73.3	\$942,395	\$70,680	\$1,013,075	
TOGO						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP		\$70,000	\$9,100	\$79,100	
Terminal phase-out management plan for CFCs (second tranche)	UNDP	5.9	\$62,000	\$5,580	\$67,580	
	Total for Togo	5.9	\$132,000	\$14,680	\$146,680	
TURKEY						
DESTRUCTION						
Preparation of project proposal						
Preparation for pilot demonstration project on ODS waste management and disposal	UNIDO		\$60,000	\$4,500	\$64,500	
	Total for Turkey		\$60,000	\$4,500	\$64,500	
URUGUAY						
FOAM						
Preparation of project proposal						
Preparation for HCFC phase-out investment activities (foam sector)	UNDP		\$60,000	\$4,500	\$64,500	
	Total for Uruguay		\$60,000	\$4,500	\$64,500	

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	
VENEZUELA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2009 work programme	UNIDO	985.0	\$513,465	\$38,510	\$551,975	
<i>The Committee noted (i) the progress report on the implementation of the phase-out plan during the years 2007 and 2008; (ii) that the country was in non-compliance with the Agreement for the year 2006; (iii) that the country had taken action to effectively return to compliance with the Agreement for the year 2007; and (iv) the commitment of the Government as reported by UNIDO, to export or destroy any remaining stockpiled CFCs. The Committee decided to apply the penalty clause in the Agreement calculated at 20 per cent of the amount of the tranche being submitted for non-compliance with the Agreement, on the basis of: (i) that it was the first time that the country had been in non-compliance with the Agreement; (ii) that non-compliance with the Agreement did not lead to aggregated consumption for all years of the Agreement being larger than the aggregated values of the agreed consumption for those years; (iii) the country had returned to compliance without additional assistance from the Fund. UNIDO was requested to submit, no later than eight weeks prior to the 61st Meeting, a verification of the level of stockpiles of CFCs at the end of the years 2008 and 2009, any export of CFCs during 2008 and 2009, and the destruction of any remaining CFCs, that were not exported prior to December 2009.</i>						
Total for Venezuela		985.0	\$513,465	\$38,510	\$551,975	
VIETNAM						
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase VII)	UNEP		\$118,976	\$0	\$118,976	
Total for Vietnam			\$118,976		\$118,976	
YEMEN						
FUMIGANT						
Methyl bromide						
Terminal phase-out of methyl bromide (first tranche, part 2)	Germany		\$91,710	\$11,613	\$103,323	
Total for Yemen			\$91,710	\$11,613	\$103,323	
ZAMBIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal phase-out management plan for CFCs (second tranche)	UNEP	4.1	\$42,000	\$5,460	\$47,460	
TPMP verification	UNEP		\$20,000	\$2,600	\$22,600	
SEVERAL						
Ozone unit support						
Extension of the institutional strengthening project (phase IV)	UNEP		\$65,520	\$0	\$65,520	
Total for Zambia		4.1	\$127,520	\$8,060	\$135,580	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ZIMBABWE						
PHASE-OUT PLAN						
CFC phase out plan						
National phase-out of Annex A (Group I) substances (phase II, third tranche)	Germany	20.0	\$175,000	\$22,347	\$197,347	
Total for Zimbabwe		20.0	\$175,000	\$22,347	\$197,347	
REGION: EUR						
SEVERAL						
Technical assistance/support						
Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (first tranche)	Czech Rep		\$80,500	\$10,465	\$90,965	
<i>Approved for one year only on the understanding that the approval was without prejudice to future funding approvals for the remaining year proposed for this project. In requesting funding for the second year, the agencies would prepare a joint report on the outputs of the network's first year of operation.</i>						
Initiating regional cooperation to enforce ODS trade controls in Europe and Central Asia network countries (first tranche)	UNEP		\$51,250	\$6,663	\$57,913	
<i>Approved for one year only on the understanding that the approval was without prejudice to future funding approvals for the remaining year proposed for this project. In requesting funding for the second year, the agencies would prepare a joint report on the outputs of the network's first year of operation.</i>						
Total for Region: EUR			\$131,750	\$17,128	\$148,878	
GRAND TOTAL		2,302.7	\$25,509,337	\$2,009,824	\$27,519,161	

Summary

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Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant		\$91,710	\$11,613	\$103,323
Phase-out plan	187.1	\$1,867,664	\$232,149	\$2,099,813
Several		\$80,500	\$10,465	\$90,965
TOTAL:	187.1	\$2,039,874	\$254,227	\$2,294,101
INVESTMENT PROJECT				
Foam	20.0	\$126,457	\$11,381	\$137,838
Fumigant	73.3	\$942,395	\$70,680	\$1,013,075
Process agent		\$1,000,000	\$75,000	\$1,075,000
Production		\$8,500,000	\$609,500	\$9,109,500
Refrigeration	193.6	\$2,161,581	\$162,119	\$2,323,700
Phase-out plan	1,828.4	\$4,577,840	\$434,789	\$5,012,629
TOTAL:	2,115.3	\$17,308,273	\$1,363,469	\$18,671,742
WORK PROGRAMME AMENDMENT				
Foam		\$1,305,000	\$97,875	\$1,402,875
Fumigant		\$50,000	\$3,750	\$53,750
Multi-sector		\$40,000	\$3,000	\$43,000
Refrigeration		\$880,000	\$66,000	\$946,000
Solvent	0.3	\$138,000	\$11,550	\$149,550
Phase-out plan		\$1,165,000	\$127,988	\$1,292,988
Destruction		\$280,000	\$21,000	\$301,000
Several		\$2,303,190	\$60,965	\$2,364,155
TOTAL:	0.3	\$6,161,190	\$392,128	\$6,553,318
Summary by Parties and Implementing Agencies				
Canada		\$88,000	\$11,440	\$99,440
Czech Republic		\$80,500	\$10,465	\$90,965
France	10.0	\$179,086	\$23,281	\$202,367
Germany	153.7	\$1,557,288	\$191,491	\$1,748,779
Italy	23.4	\$135,000	\$17,550	\$152,550
IBRD	73.3	\$10,842,395	\$785,180	\$11,627,575
UNDP	809.0	\$5,073,809	\$393,063	\$5,466,872
UNEP	8.7	\$3,733,709	\$286,755	\$4,020,464
UNIDO	1,224.6	\$3,819,550	\$290,599	\$4,110,149
GRAND TOTAL	2,302.7	\$25,509,337	\$2,009,824	\$27,519,161

**ADJUSTMENTS ARISING FROM THE 57TH MEETING OF THE EXECUTIVE
COMMITTEE FOR BALANCES ON PROJECTS AND ACTIVITIES**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNDP (per decision 57/3(b)&(c))	41,294	5,042	46,336
UNEP (per decision 57/3(b)&(c))	364,421	25,487	389,908
UNIDO(per decision 57/3(b),(c)&(f))	43,398	4,271	47,669
Total	449,113	34,800	483,913

**ADJUSTMENTS ARISING FROM THE 57TH MEETING OF THE EXECUTIVE
COMMITTEE FOR TRANSFERS ON PROJECTS**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNIDO(per decision 57/3(f))	1,000,000	75,000	1,075,000
Total	1,000,000	75,000	1,075,000

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL
CONTRIBUTIONS BASED ON DECISIONS OF THE 57TH MEETING OF THE EXECUTIVE
COMMITTEE**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Canada (1)	88,000	11,440	99,440
Czech Republic (1)	80,500	10,465	90,965
France (1)	179,086	23,281	202,367
Germany (1)	1,557,288	191,491	1,748,779
Italy (1)	135,000	17,550	152,550
UNDP	5,032,515	388,021	5,420,536
UNEP	3,369,288	261,268	3,630,556
UNIDO	4,776,152	361,328	5,137,480
World Bank	10,842,395	785,180	11,627,575
Total	26,060,224	2,050,024	28,110,248

(1) Total amount to be assigned to 2009 bilateral contributions.

Annex X

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

1. This Agreement represents the understanding of the Government of Botswana (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 meet the annual consumption limits of the Substances as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in 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.
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 4 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances 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 sub-paragraph 5(b) 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 Targets for the applicable year;
 - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (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 of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).
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 implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-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-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

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. Germany has agreed to be the lead implementing agency (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 as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might 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 5 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A 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 tranche 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.

APPENDICES

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

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	1.0	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	1.0	0.0	
3	New reduction under plan (ODP tonnes)	1.0	0.0	1.0
4	Lead IA agreed funding (US \$)	155,000	50,000	205,000
5	Lead IA support costs (US \$)	20,150	6,500	26,650
6	Grand total agreed funding (US \$)	175,150	56,500	231,650

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

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 | _____ |
| Cooperating 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						
Total						
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", within 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 terminal phase-out plan. This organization 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 Unit.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Botswana for related auditing. Based on discussion with the Lead IA, Botswana should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

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 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) Assisting Botswana in preparation of the Annual Implementation Programme;
- (c) 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 consistent with Appendix 5-A. In case the Executive Committee selects Botswana consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, for submission to the Executive Committee;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (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 \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex XI

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

1. This Agreement represents the understanding of the Government of Equatorial Guinea (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 meet the annual consumption limits of the Substances as set out in row 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in 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.

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 7 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).

4. The Country will meet the consumption limits for each of the Substances 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 sub-paragraph 5(b) 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 Targets for the applicable year;
- (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
- (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 of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.

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

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 implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-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-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA") in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A 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 tranche 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.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12
Annex A:	Group II	Halon

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	4.7	0	0
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	4.6	0	0
3	Montreal Protocol reduction schedule of Annex A, Group II substances (ODP tonnes)	14.2	0	0
4	Max. allowable total consumption of Annex A, Group II substances (ODP tonnes)	0	0	0
5	New reduction of Annex A, Group I substances under plan (ODP tonnes)	4.6	0	4.6
6	New reduction of Annex A, Group II	0	0	0
7	Lead IA agreed funding (US \$)	105,000	75,000	180,000
8	Lead IA support costs (US \$)	13,650	9,750	23,400
9	Grand total agreed funding (US \$)	118,650	84,750	203,400

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

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	_____
Cooperating 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						
Total						
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", within the National Ozone Unit (NOU). 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 terminal phase-out plan (TPMP). This organization, 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 Unit (NOU).

Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Equatorial Guinea for related auditing. Based on discussion with the Lead IA, Equatorial Guinea should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

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 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) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) 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 consistent with Appendix 5-A. In case the Executive Committee selects Equatorial Guinea consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of 2009 and preparing for annual implementation programme for 2010 for submission to the Executive Committee.
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (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 \$5,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex XII

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

1. This Agreement represents the understanding of the Government of Sierra Leone (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 meet the annual consumption limits of the Substances as set out in rows 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in 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.
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 9 of Appendix 2-A (the “Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances 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 sub-paragraph 5(b) 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 Targets for the applicable year;
 - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
 - (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 of Annual Implementation Programme”) in respect of the year for which tranche funding is being requested.
6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).
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 implementation programme.

8. Specific attention will be paid to the execution of the activities in the refrigeration-servicing sub-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-sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities such as additional training or procurement of service tools in cases where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfill the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the "Lead IA") and UNDP has agreed to be cooperating implementing agency (the "Cooperating IA") under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification as per sub-paragraph 5(b). The Country also agrees to periodic evaluations, which might 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 10 and 11 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 2-A 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 tranche 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 (and the Cooperating 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.

APPENDICES

APPENDIX 1-A: THE SUBSTANCES

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

APPENDIX 2-A: THE TARGETS, AND FUNDING

		2009	2010	Total
1	Montreal Protocol reduction schedule of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
2	Max. allowable total consumption of Annex A, Group I substances (ODP tonnes)	11.8	0.0	
3	Montreal Protocol reduction schedule of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
4	Max. allowable total consumption of Annex B, Group II substances (ODP tonnes)	0.4	0.0	
5	New reduction under plan Annex A (ODP tonnes)	11.8	0.0	11.8
6	New reduction under plan Annex B (ODP tonnes)	0.4	0.0	0.4
7	Lead IA agreed funding (US \$)	95,000	55,000	150,000
8	Cooperating IA agreed funding (US \$)	40,000	20,000	60,000
9	Total agreed funding (US \$)	135,000	75,000	210,000
10	Lead IA support costs (US \$)	12,350	7,150	19,500
11	Cooperating IA support costs (US \$)	3,600	1,800	5,400
12	Total agreed support costs (US \$)	15,950	8,950	24,900
13	Grand total agreed funding (US \$)	150,950	83,950	234,900

APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Following approval of the first tranche in 2009, funding for the second tranche will be considered for approval not earlier than the first meeting of 2010.

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 _____
 Cooperating 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						
Total						
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", within the National Ozone Unit. 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 terminal phase-out plan. 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 Unit.

Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Sierra Leone for related auditing. Based on discussion with the Lead IA, Sierra Leone should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

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 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) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) 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 consistent with Appendix 5-A. In case the Executive Committee selects Sierra Leone consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the current Annual Implementation Programme and preparing for the annual implementation programme for the following year, for submission to the Executive Committee.

- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (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 IA will:
 - (a) Provide policy development assistance when required;
 - (b) Assist Sierra Leone in the implementation and assessment of the activities funded for by the Cooperating IA; 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 \$10,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex XIII

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF
INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 57th MEETING**

Algeria

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Algeria and notes with appreciation that the country has reported data to the Ozone Secretariat indicating the country's 2007 ODS consumption is below the limits set by the Montreal Protocol's phase-out schedule. The Executive Committee is therefore hopeful that, in the next two years, Algeria will continue with the implementation of its country programme and national phase-out plan activities with outstanding success in the reduction of ODS consumption.

Burundi

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Burundi and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that its CFC consumption in 2007 is below the 85 percent reduction required by the Montreal Protocol's phase-out schedule. The Executive Committee is therefore hopeful that, in the next two years, Burundi will continue its efforts in the implementation of its country programme and related activities with outstanding success.

Cape Verde

3. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Cape Verde and notes with appreciation that the country continues to report zero CFC consumption to the Ozone Secretariat. The Executive Committee also notes that Cape Verde has undertaken significant activities to sustain zero consumption through the strict enforcement of the ODS licensing system. The Executive Committee expresses the expectation that, in the next two years, Cape Verde will continue to implement its ODS phase-out activities with outstanding success.

Central African Republic

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Central African Republic and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that its CFC consumption in 2007 is below the required 85 per cent reduction required by the Montreal Protocol phase-out schedule. The Executive Committee is therefore hopeful that, Central African Republic will continue with the implementation of its country programme and related activities with outstanding success towards total phase-out of its ODS consumption as required the Montreal Protocol phase-out schedule.

Chile

5. The Executive Committee has reviewed the terminal report presented with the institutional strengthening project renewal request for Chile and notes with appreciation the achievements made by the Comisión Nacional del Medio Ambiente (CONAMA) during the implementation of this phase. In particular the Executive Committee notes the progress made by Chile to create and implement a fully operational and updated licensing system. This step forward will greatly support the country's national ozone focal point and help to maintain compliance with the Montreal Protocol's ODS consumption phase-out targets. The Executive Committee is also encouraged by the progress of several activities including the refrigerant management plan and the technical assistance to phase out ozone depleting

solvents, which contributed to compliance regarding TCA consumption. The Executive Committee commends the Government of Chile for its achievements during the current phase and expresses the expectation that, in the next two years, Chile will continue the implementation of its programmed activities with outstanding progress, and will sustain and build upon its current levels of reductions in CFCs.

Comoros

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Comoros and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that its CFC consumption in 2007 is below the required 85 per cent reduction required by the Montreal Protocol phase-out schedule. The Executive Committee is therefore hopeful that, in the next two years, Comoros will continue its efforts in the implementation of its country programme and related activities with outstanding success towards total phase out its ODS consumption ahead Montreal Protocol phase-out schedule.

Congo

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Congo and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that it reduced its 2007 CFC consumption more than the required 85 per cent reduction required by the Montreal Protocol phase-out schedule. The Executive Committee is therefore hopeful that, in the next two years, Congo will continue with the implementation of its country programme and related activities with outstanding success towards total phase out of its ODS consumption ahead of the Montreal Protocol phase-out schedule.

Djibouti

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Djibouti and notes with appreciation that Djibouti has reported data to the Ozone Secretariat indicating it has met the 85 percent required reduction in ODS consumption required by the Montreal Protocol phase-out schedule. Djibouti has taken significant steps to phase out its ODS consumption. The Executive Committee is therefore hopeful that, in the next two years, Djibouti will continue with the implementation of the licensing system and terminal phase-out management plan and preparation of HCFC phase-out management plan with outstanding success.

The former Yugoslav Republic of Macedonia

9. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for the former Yugoslav Republic Macedonia and notes with great appreciation that the country has now reported zero CFC consumption in 2007, putting it well in advance of the complete phase-out of CFCs scheduled for 2010. The Executive Committee also wishes to further extend its appreciation to the Government of the former Yugoslav Republic of Macedonia for playing an important leadership role in the network of ODS Officers for Europe and Central Asia. The Executive Committee is therefore hopeful that, in the next two years, the Former Yugoslav Republic Macedonia will continue its efforts in the implementation of its ODS phase-out activities with outstanding success.

Georgia

10. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Georgia and notes the country reported CFC consumption within the 85 per cent reduction requirement of the Montreal Protocol phase-out schedule for CFCs. The Executive Committee also appreciates the excellent results achieved by Georgia in coordinating ODS phase-out

activities in the country. It notes that all activities are implemented in a timely and efficient manner. The Executive Committee is therefore hopeful that in the next two years, Georgia will meet its CFC phase-out targets and initiate activities related to HCFCs as a result of the decisions taken by the Nineteenth Meeting of the Parties.

Honduras

11. The Executive Committee has reviewed the report submitted with the institutional strengthening project renewal request for Honduras and notes with appreciation that the country is in compliance with Montreal Protocol reduction steps for all controlled substances, in particular for methyl bromide which is consistent with its action plan noted at the Seventeenth Meeting of the Parties. The Executive Committee acknowledges with appreciation that Honduras has formed a National Steering Committee for addressing the ODS phase out at national level, controlling trade of ODS, and adopting alternatives to methyl bromide. With the activities planned for the next phase, the Executive Committee is hopeful that Honduras will continue to phase out ODS with outstanding success.

Liberia

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Liberia and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that it reduced its 2007 CFC consumption to be well within the 85 per cent reduction required under the Montreal Protocol. The Executive Committee is therefore hopeful that, in the next two years, Liberia will continue with the implementation of ODS phase out activities with outstanding success towards total phase out of its ODS consumption ahead of the Montreal Protocol phase-out schedule.

Mauritania

13. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal for Mauritania and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that it reduced its CFC consumption in 2007. The Executive Committee is therefore hopeful that, in the next two years, Mauritania will continue with the implementation of its country programme and related activities with outstanding success towards total phase-out of its ODS consumption required by the Montreal Protocol phase-out schedule

Mozambique

14. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Mozambique and notes with appreciation the fact that Mozambique reported 2007 data to the Ozone Secretariat stating the country reduced its CFC consumption beyond the 85 per cent target. The Executive Committee also notes that Mozambique has taken some significant steps to approve ODS regulations which provide for ODS imports through a licensing and quota system, and training of Customs officers and refrigeration technicians. The Executive Committee greatly appreciates the efforts of Mozambique to reduce its ODS consumption. The Executive Committee expresses the expectation that, in the next two years, Mozambique will complete the implementation of its terminal phase-out management plan and build upon its current levels of reductions in ODS.

Pakistan

15. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Pakistan, and notes with appreciation the prompt action of Pakistan in presenting a Plan of Action to return it to compliance with the CTC control measures of the Montreal Protocol. The Executive Committee also notes that within the framework of the institutional

strengthening project, Pakistan has taken significant steps to phase out its ODS consumption, specifically, moving forward with implementation of the halon bank project, refrigerant management plan and CTC sector phase-out, organizing training workshops for refrigeration technicians and customs officers. The Executive Committee greatly supports the efforts of Pakistan to reduce its ODS consumption. The Executive Committee is therefore hopeful that, in the next two years, Pakistan will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels. The Executive Committee would also like to congratulate the Government of Pakistan on its election as Co-Chair of the 29th Open-Ended Working Group of the Parties to the Montreal Protocol.

Rwanda

16. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Rwanda and notes with appreciation the fact that Rwanda reported 2007 data to the Ozone Secretariat stating the country reduced its CFC consumption by 85 per cent target for 2007. The Executive Committee further noted that Rwanda has taken some significant steps to phase out its consumption of ODS in the period through the introduction of an ODS licensing system. The Executive Committee is hopeful that, in the next two years, Rwanda will continue the implementation of the licensing system, terminal phase-out management plan, technical assistance and non-investment programmes with outstanding success, and sustain and build upon its current levels of reductions in ODS.

Tanzania

17. The Executive Committee has reviewed the information presented with the institutional strengthening renewal (IS) request for Tanzania and notes with appreciation the fact that Tanzania has taken some significant steps to phase out its consumption of ODS in the period covered by the IS project. The Committee also commends Tanzania for the advanced stage in the implementation of the ODS licensing system, training of Customs officers and refrigeration technicians and the establishment of a recovery and recycling centre. The Executive Committee expressed the expectation that, in the next two years, Tanzania will continue implementing these activities with great success and sustain and build upon its current levels of reductions in ODSs.

Viet Nam

18. The Executive Committee has reviewed the report of the institutional strengthening project extension for Viet Nam and notes with appreciation that the country has reported data to the Ozone Secretariat indicating that Viet Nam has maintained its phase-out of CFC consumption since 1996. The Executive Committee is therefore hopeful that, in the next two years, Viet Nam will continue with the implementation of its country programme, the national CFC phase-out plan, methyl bromide phase-out plan, HCFC phase-out management plan and other activities with outstanding success.

Zambia

19. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Zambia and notes with appreciation the fact that Zambia reported 2007 data to the Ozone Secretariat stating the country reduced its CFC consumption by 85 per cent target for 2007 as required by the Montreal Protocol. The Executive Committee further noted that Zambia has taken some significant steps to phase out its consumption of ODS in the period covered for their IS project through the enforcement of the ODS licensing system, training of Customs officers and refrigeration technicians. The Executive Committee is hopeful that, in the next two years, Zambia will continue implementing activities with outstanding progress, and sustain and build upon its current levels of reductions in ODS consumption.
