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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fortieth Meeting
Montreal, 16 - 18 July 2003

**REPORT OF THE 29th MEETING OF THE SUB-COMMITTEE
ON PROJECT REVIEW**

Introduction

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol held its 29th Meeting in Montreal, on 14 and 15 July 2003.
2. The meeting was attended by representatives of Bolivia, Burundi, France (Chair), India, Japan, Saint Lucia and the United States of America.
3. The meeting was attended by representatives of the implementing agencies as well as of the Ozone Secretariat.
4. The meeting was also attended by the representatives of Austria and El Salvador as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

5. The Chair of the Sub-Committee, Mr. Mustapha Kleiche (France), opened the meeting at 10:00 a.m. on Monday, 14 July 2003, and welcomed the participants.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

6. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/29/1:

1. Opening of the meeting
2. Adoption of the agenda
3. Introductory remarks
4. Organization of work
5. Issues identified during project review
6. Bilateral cooperation
7. Work programme amendments:
 - (a) UNDP;
 - (b) UNEP;
 - (c) UNIDO;
 - (d) World Bank.
8. Investment projects
9. Report from UNEP on the use of programme support cost (Decision 35/36)
10. A system for monitoring the implementation of the agreement on the phase-out of CTC and process agents in China (Decision 39/46 (c))
11. Other matters
12. Adoption of the report
13. Closure of the meeting

AGENDA ITEM 3: INTRODUCTORY REMARKS

7. The Chief Officer welcomed the members of the Sub-Committee on Project Review. He noted that the current meeting was the second one at which the presentation of projects and activities to the Sub-Committee on Project Review was being guided by the three-year phase-out

plan for the Multilateral Fund, which had been approved by the Executive Committee at its 38th Meeting. The plan identified the amount of phase-out that needed to be addressed in each Article 5 country in 2003, 2004 and 2005 to enable it to meet its individual compliance targets.

8. The total value of projects and activities received by the Secretariat for submission to the 40th Meeting, including sectoral strategies and plans, was over US \$240 million, including about US \$11 million for funding tranches of multi-year projects that had been approved in principle at previous Executive Committee meetings. The Fund Secretariat's review of funding proposals had resulted in a recommendation for blanket approval of 21 investment projects and other activities, with a total value of some US \$5.4 million. Fourteen investment projects and other activities with a total value of around US \$17.5 million had been withdrawn or deferred. Eleven investment projects and sector plans had been submitted for individual consideration, with a total value as requested of about US \$36 million. In the case of eight of those eleven projects, agreement had already been reached between the Secretariat and the implementing agencies on the eligible incremental costs.

9. The Chief Officer also noted that the composition of the lists of projects illustrated the changing nature of the Fund's activities. It could be expected that there would be a steady increase in the submission of requests for annual funding of sector or national phase-out plans that had already been approved in principle, a small number of additional sector or national plans for the remaining medium-sized countries for which such plans had not yet been approved, and refrigerant management plans and terminal phase-out management plans to address the servicing sector in low-volume-consuming countries. The challenge in those projects for small countries was to ensure that the projects were designed and implemented in a way that delivered the reductions in consumption needed to meet compliance, since that was the only assistance for which many of the countries would be eligible.

10. The Secretariat had drawn attention to two specific instances where there were doubts about potential effectiveness. The first was a refrigerant management plan update for the Democratic Republic of the Congo, which the Secretariat thought would benefit from reconsideration. The second was a proposed terminal plan for the refrigeration servicing sector in the Democratic People's Republic of Korea. It had initially contained the standard elements seen in all refrigerant management plans and terminal phase-out management plans, despite the quite unique circumstances of the country concerned, but through effective cooperation among UNEP, UNIDO and the Secretariat it had been possible to revise the proposal in a way that it was hoped would leave more options for the country to explore in the future, when its needs became better understood.

11. The Secretariat had continued its project review activities after the meeting documents had been dispatched to the participants. As a result, agreement had been reached on the way forward for a number of the projects currently listed for individual consideration and UNIDO had agreed to defer the CTC phase-out projects in the Democratic People's Republic of Korea so that the remaining issues relating to the consumption of CTC could be resolved.

AGENDA ITEM 4: ORGANIZATION OF WORK

12. Following the suggestion of the Chair, the Sub-Committee decided to organize its work in accordance with the agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/29/1 and also with the provisional annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/29/1/Add.1.

AGENDA ITEM 5: ISSUES IDENTIFIED DURING PROJECT REVIEW

(a) Contribution of non-investment projects to ensuring compliance

13. The Chair drew the attention of the Sub-Committee to paragraphs 4 to 11 of the overview paper (UNEP/OzL.Pro/ExCom/40/27). The Secretariat had suggested that there was a need for urgent re-consideration of the approach currently being taken to the implementation of refrigerant management plans (RMPs) and other non-investment projects and that the new approach should be based on ensuring that such projects achieved the phase-out and compliance objectives that they were intended to facilitate.

14. Following a discussion, the Sub-Committee recommended that the Executive Committee set up a working group to discuss at its 40th Meeting ways to reorient the approach to RMPs to better facilitate compliance, with members chosen from both the Sub-Committee on Project Review and the Sub-Committee on Monitoring, Evaluation and Finance as well as representatives of the implementing agencies.

(b) Conversion of RMP updates into terminal phase-out management plans

15. The Chair drew the attention of the Sub-Committee to paragraphs 12 to 15 of the overview paper (UNEP/OzL.Pro/ExCom/40/27). The Secretariat had noted the trend for RMPs or RMP updates to be converted into terminal phase-out management plans (TPMPs). Those TPMPs might not provide the type of assistance needed, while cutting off access to any further support from the Fund. Therefore, it should be considered whether priority should be placed on implementing approved RMPs to meet the 2005 and 2007 control measures, with consideration being given to TPMPs only in those circumstances where it could be demonstrated that a country was in a good position to sustain complete phase-out.

16. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Urge low-volume-consuming countries to consider carefully whether it was in their interests at this stage to attempt to identify the assistance required to achieve total phase-out;
- (b) Request implementing and bilateral agencies to give priority to assisting countries with implementation of the approved refrigeration management plan to meet their 2005 and 2007 control targets;

- (c) Urge all Article 5 Parties concerned to ensure that all the provisions of Decision 38/64 were applied before submitting projects for terminal phase-out management plans; and that the acceleration of phase-out implied by the terminal phase-out management plan had met the criteria established by the Executive Committee for prioritizing accelerated phase-out; and
- (d) Give urgent consideration to the adoption of criteria for project funding to accelerate phase-out and/or to maintain momentum.

(c) Monitoring/sustainability of implementation

17. The Chair drew the attention of the Sub-Committee to paragraph 16 of the overview paper (UNEP/OzL.Pro/ExCom/40/27). The issue concerned monitoring of the implementation of certain projects, especially those in the methyl bromide sector, and their sustainability. In some cases the reductions in consumption mandated in projects had been achieved mainly because of changed circumstances in the country rather than as a result of reductions in consumption arising from implementation of the project. There was a need when reporting progress to differentiate between reductions achieved through project implementation and windfall reductions arising from factors external to the project.

18. Following a discussion, the Sub-Committee recommended that the Executive Committee request implementing and bilateral agencies to indicate qualitatively in all relevant reports, especially those related to tranches of funding, the extent to which reductions in phase-out had been influenced by factors external to the project in the country concerned.

(d) Projects not submitted to the 40th Meeting

19. The Chair drew the attention of the Sub-Committee to paragraphs 17 to 27 of the overview paper (UNEP/OzL.Pro/ExCom/40/27 and Add.1) which reviewed the following four projects that had not been submitted to the 40th Meeting of the Executive Committee, since they had not been consistent with relevant decisions and policies:

- (a) Cuba: Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) (first tranche), submitted by UNDP;
- (b) India: Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector, submitted by the Government of Germany;
- (c) Mexico: Chiller concessional lending pilot project (second tranche), submitted by the Government of the United Kingdom; and
- (d) Sri Lanka: National Action Compliance Plan, submitted by the Government of Japan.

20. The Sub-Committee was informed that the Government of Cuba considered the project for the phase-out of CFCs in MDIs in Cuba to be essential to enable that country to comply with

its commitments. The representative of UNDP informed the Sub-Committee that the refusal of the potential technology provider to transfer the technology had resulted in a need to find alternative providers, resulting in higher project costs. An additional assessment mission had visited Cuba and negotiations had been conducted with two alternative technology providers. He was confident that the revised project proposal could be submitted to the Executive Committee at its 41st Meeting.

21. The Sub-Committee recommended that the Executive Committee should suggest that the Government of Cuba and UNDP, in consultation with the Secretariat, should make the necessary arrangements in order to be able to submit the project for the phase-out of CFC consumption in the manufacture of aerosol metered-dose inhalers (MDIs) to the 41st Meeting of the Executive Committee, consistent with the existing guidelines and policies of the Multilateral Fund.

22. In a clarification, the Chief Officer confirmed that India's refrigeration servicing sector plan had first been communicated to the Secretariat before the 38th Meeting.

23. The Sub-Committee was informed that the counterpart funding currently available for the second phase of the chiller concessional lending project in Mexico could be put at risk if approval of phase II of the project was delayed.

24. The representative of Japan informed the Sub-Committee that Sri Lanka's National Compliance Action Plan or country programme update was one of the major outcomes of the project to provide assistance for country compliance in the South East Asia region, implemented in 2001. Japan had submitted the project as a country programme update so that it would be considered by the Executive Committee in accordance with the guidelines for such projects. However, in the spirit of compromise and cooperation, Japan has accepted the suggestion of the Secretariat that the programme be considered as a National Compliance Action Plan with financial implications and be submitted to the 41st Meeting of the Executive Committee.

25. Following the above clarifications the Sub-Committee took note of the four projects outlined in paragraphs 17 to 27 of the overview paper (UNEP/OzL.Pro/ExCom/40/27 and Add.1).

AGENDA ITEM 6: BILATERAL COOPERATION

26. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/28 on bilateral cooperation. A total of three requests for bilateral cooperation, amounting to nearly US \$800,000, had been submitted by the Governments of Canada, Germany, and Sweden.

27. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for bilateral cooperation contained in document UNEP/OzL.Pro/ExCom/40/28, with the amendments below, at the level of funding indicated in Annex I to the present report.

Indonesia: Phase-out of the use of methyl bromide in grain storage (Canada)
(UNEP/OzL.Pro/ExCom/40/37)

28. The Chair indicated that the above project had been deferred.

Serbia and Montenegro: Assistance to prepare a national CFC phase-out plan
(manufacturing and servicing sectors) (Sweden) (UNEP/OzL.Pro/ExCom/40/31)

29. Following a discussion the Sub-Committee recommended that the Executive Committee approve the above project, at the level of funding indicated in Annex I to the present report.

30. At the conclusion of its discussions on the agenda item, the Sub-Committee recommended that the Executive Committee request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$47,016 against the balance of Germany's bilateral contributions for 2003; and
- (b) US \$73,450 against the balance of Sweden's bilateral contributions for 2003.

AGENDA ITEM 7: WORK PROGRAMME AMENDMENTS

(a) Work programme amendments of UNDP

31. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/29, containing the 2003 work programme amendments of UNDP.

32. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/40/29, with the amendments below, at the level of funding indicated in Annex I to the present report.

Burundi: Project preparation of RMP update
Panama: Project preparation of RMP update

33. Following a discussion about the priority to be accorded to preparation of RMP updates for Burundi and Panama, the Sub-Committee recommended that the Executive Committee approve the projects at the level of funding indicated in Annex I to the present report.

Cuba (phase IV): Renewal of institutional strengthening
Nigeria (phase III): Renewal of institutional strengthening

34. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the governments concerned its observations indicated in Annex II to the present report.

(b) Work programme amendments of UNEP

35. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/30, containing the 2003 work programme amendments of UNEP.

36. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNEP's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/40/30, with the amendments below, at the level of funding indicated in Annex I to the present report.

Benin (phase IV): Renewal of institutional strengthening
Honduras (phase III): Renewal of institutional strengthening
Jamaica (phase IV): Renewal of institutional strengthening
Viet Nam (phase IV): Renewal of institutional strengthening

37. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the governments concerned its observations indicated in Annex II to the present report.

Belize (phase II): Renewal of institutional strengthening

38. The Chair drew the attention of the Sub-Committee to paragraphs 8 to 10 of document UNEP/OzL.Pro/ExCom/40/30. The Secretariat advised the Sub-Committee that the activities had been submitted for individual consideration because, in accordance with Decision XIII/22 of the Meeting of the Parties, Belize was in non-compliance with the CFC freeze.

39. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project proposal at the level of funding indicated in Annex I to the present report, on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non-compliance and express to the Government of Belize its observations contained in Annex II to the present report.

Bolivia (phase IV): Renewal of institutional strengthening

40. The Chair drew the attention of the Sub-Committee to paragraphs 8 to 10 of document UNEP/OzL.Pro/ExCom/40/30. The Secretariat advised the Sub-Committee that the activities had been submitted for individual consideration because, in accordance with Decision XIV/20 of the Meeting of the Parties, Bolivia was in non-compliance with the CFC freeze.

41. Following a discussion, the Sub-committee recommended that the Executive Committee approve the project proposal at a level of US \$100,000, representing a one-time addition of US \$21,133 to the established funding level of US \$78,867, on an exceptional basis, taking into consideration the circumstances facing the National Ozone Unit in Bolivia as a result of the total destruction of its offices in a fire in February 2003, on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non-compliance, and

express to the Government of Bolivia its observations contained in Annex II to the present report.

(c) Work programme amendments of UNIDO

42. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/31, containing the 2003 work programme amendments of UNIDO.

43. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNIDO's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/40/31, with the amendments below, at the level of funding indicated in Annex I to the present report.

Egypt (phase V): Renewal of institutional strengthening

44. The Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report and express to the Government of Egypt its observations indicated in Annex II to the present report.

Serbia and Montenegro: Refrigerant management plan: customs training and institutional framework

45. The Chair drew the attention of the Sub-Committee to paragraphs 7 to 17 of document UNEP/OzL.Pro/ExCom/40/31.

46. Following a discussion, the Sub-Committee recommended that the Executive Committee defer the project proposal on customs training and institutional framework until it was presented within the national CFC phase-out plan.

47. The Sub-Committee further recommended that the Executive Committee agree that an official commitment in writing to ratify the London Amendment to the Montreal Protocol should be received from Parties before funding could be approved for their projects.

(d) Work programme amendments of the World Bank

48. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/32, containing the 2003 work programme amendments of the World Bank.

49. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the World Bank's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/40/32, with the amendments below, at the level of funding indicated in Annex I to the present report.

Jordan (phase V): Renewal of institutional strengthening
Thailand (phase III) : Renewal of institutional strengthening

50. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the governments concerned its observations indicated in Annex II to the present report.

Oman: Project preparation funds for a halon management plan

51. The Chair drew the attention of the Sub-Committee to paragraphs 3 to 6 of document UNEP/OzL.Pro/ExCom/40/32, noting that the total project preparation funding for halons in Oman might exceed the level of funding that Oman would receive for the subsequent project.

52. Following a discussion, during which the World Bank indicated that it would withdraw its request for additional project preparation funding, the Sub-Committee noted that the halon management plan project in Oman would be implemented by the World Bank and would remain in the Bank's 2003 business plan.

AGENDA ITEM 8: INVESTMENT PROJECTS

(a) Projects recommended for blanket approval

53. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/29/2.

54. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval contained in document UNEP/OzL.Pro/ExCom/SCPR/29/2, at the level of funding indicated in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable, and subject to the clarifications and amendment below:

Mexico: Sterilization group project for replace CFC-12 technology-based sterilization equipment by alternative technologies in the hospital medical sterilization sector (World Bank) (UNEP/OzL.Pro/ExCom/40/41)

55. In response to a request for clarification of the cost of US \$19.95 per ODP kilogram for the project in the sterilants sector in Mexico, the Secretariat informed the Sub-Committee that the amount reflected an average based on the two projects in the sterilants sector that had been previously approved by the Executive Committee. The project was also consistent with the guidelines that had already been approved for the sector. In addition, the representative of the World Bank informed the Sub-Committee that the project represented a total phase-out plan.

56. Following a discussion the Sub-Committee recommended that the Executive Committee approve the project at the level of funding indicated in Annex I to the present report, on the understanding that this would represent the total CFC phase-out in the sterilants sector.

Pakistan: Conversion of cleaning installations from carbon tetrachloride (CTC), methyl chloroform (MCF) and CFC-113 to tetrachloroethylene (PER) and water in combination with process modification at Breeze Frost Industries Ltd., Lahore (UNIDO) (UNEP/OzL.Pro/ExCom/40/42)

Pakistan: Conversion of cleaning installations from carbon tetrachloride (CTC) and methyl chloroform (MCF) to tetrachloroethylene (PER) and water in combination with partial process modification at Hirra Farooq Ltd., Lahore (UNIDO) (UNEP/OzL.Pro/ExCom/40/42)

57. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report, on the understanding that proposals to phase out the remaining consumption in the solvent sector should be presented as a sector phase-out plan.

58. The Sub-Committee also recommended that the Executive Committee decide that no further individual investment projects should be submitted and that in future, countries should be required to submit phase-out plans for the entire sector.

(b) Projects for individual consideration

Fumigants

Argentina: Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds (third tranche) (UNDP) (UNEP/OzL.Pro/ExCom/40/33)

59. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/33. He indicated that the third tranche of funding was requested.

60. Following a discussion about the possibility of reducing the duration of the project, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report and request UNDP and Argentina to explore the possibility of expediting the project.

Malawi: Phase-out of all non-essential and non-QPS methyl bromide (third tranche) (UNDP) (UNEP/OzL.Pro/ExCom/40/39 and Add.1)

61. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/39 and Add.1. He indicated that UNDP had undertaken a mission to Malawi in the second half of June 2003. Issues related to the amount of methyl bromide phased out from the project, data reporting, development of a legal framework and procurement procedures had been addressed. A summary of UNDP's report was presented in document UNEP/OzL.Pro/ExCom/40/39/Add.1.

62. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present

report, and request UNDP to present a further report on the implementation of the project at its next meeting.

Refrigeration

Congo: Refrigerant management plan: incentive programme for the commercial and industrial end-user refrigeration sector (UNDP) (UNEP/OzL.Pro/ExCom/40/35)

63. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/35. The Secretariat had raised questions about both the long term sustainability of the project and its costs, half of which were in the form of consultant's fees and overheads.

64. One representative expressed his concern that an incentive programme based on an alternative product that was considerably more expensive was destined to fail. In response, it was suggested by another representative that a radical change in relative costs was likely to be seen within a short period of time. Moreover, the high price for CFCs in Congo was an indication that its quota system was working.

65. Following a discussion the Sub-Committee recommended that the Executive Committee defer consideration of the project and request UNDP to present additional information to the 41st Meeting to allow evaluation of the project at that time.

Korea, DPR: Refrigerant management plan (UNIDO / UNEP) (UNEP/OzL.Pro/ExCom/40/38 and Add.1)

Korea, DPR: Sectoral phase-out in domestic refrigeration sector by conversion of refrigeration and compressor manufacture at 5th October Electronic and Automation Company (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/40/38 and Add.1)

66. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 34 of document UNEP/OzL.Pro/ExCom/40/38 and Add.1.

67. The Secretariat explained that there were two parts to the project, an investment part and elements of a RMP. The Secretariat indicated its strong reservations about the activities included in the RMP, in view of the Democratic People's Republic of Korea's unique circumstances. Subsequently, the Secretariat had reached agreement with UNEP and UNIDO on the content and the costs of a revised, two-phase approach better suited to the Democratic People's Republic of Korea's needs, as outlined in Addendum 1 to document UNEP/OzL.Pro/ExCom/40/38. The Secretariat still had concerns about the implementation time for the refrigeration conversion project, because this might not enable the country to achieve compliance.

68. In response to a question, a representative of UNEP spoke to clarify the nature of the survey that had been undertaken in the Democratic People's Republic of Korea and noted the extensive travel by the consultant.

69. The representative of UNIDO explained that UNIDO would do its best to help facilitate the 2005 target but that the funds allocated for 2005 should be released for 2004, entailing a change to UNIDO's prospective 2004 business plan.

70. Following a discussion, and noting that the phase-out of CFCs in the Democratic People's Republic of Korea would be achieved in two phases, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle US \$1,365,011 (excluding agency support costs) as the total funding available for the implementation of the phase-out in domestic and commercial refrigeration manufacturing by conversion of refrigeration and compressor manufacture at 5th October Electronics and Automation Complex;
- (b) Approve US \$384,000 (excluding agency support costs) as the first tranche for implementation of the project in paragraph (a) above, on the understanding that:
 - (i) UNIDO would make every effort to complete the project by 1 January 2005; and
 - (ii) UNIDO would include the balance of funding of US \$981,011 in its draft 2004 business plan and request approval of this funding at the 42nd Meeting of the Executive Committee;
- (c) Approve US \$230,000 (excluding agency support costs) for the following activities related to the refrigeration servicing sector in the Democratic People's Republic of Korea:
 - (i) Assistance for development of a licensing system and training of customs officers (US \$50,000) for UNEP;
 - (ii) Training of refrigeration service technicians in good servicing practices, (US \$70,000) for UNEP;
 - (iii) Provision of basic tools for the registered service workshops, (US \$100,000) for UNIDO; and
 - (iv) Monitoring the activities in the refrigeration servicing sector (US \$10,000) for UNEP;
- (d) Stipulate that the approvals in paragraphs (a) to (c) above were to be subject to the following conditions:
 - (i) The Democratic People's Republic of Korea would achieve at least the 2005 Montreal Protocol CFC reduction target without further assistance from the Fund;
 - (ii) In 2006, the Government of the Democratic People's Republic of Korea would submit a comprehensive report on the activities undertaken and

results achieved, including the amount of CFC permanently phased out. The report would be reviewed by the Secretariat before submission to the Executive Committee. The Government of the Democratic People's Republic of Korea could then be advised through the relevant implementing agency to prepare and submit Phase II of the project to achieve the complete CFC phase-out in the servicing sector. The activities in Phase II would be identified at that time, as those best suited to the circumstances and needs of the country.

Phase-out plans

Trinidad and Tobago: Terminal phase-out management plan for CFCs (first tranche) (UNDP) (UNEP/OzL.Pro/ExCom/40/44)

71. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/44. He indicated that UNDP had received funding for the update of the RMP, but had prepared instead a proposal for a terminal project to phase out all CFCs in the country by 1 January 2009. While the Secretariat had been discussing with UNDP the option of going back to the idea of an RMP update, the country had indicated its preference to continue with its submission of a TPMP.

72. Following a discussion, the Sub-Committee recommended that the Executive Committee defer this project pending a decision on the definition of criteria for project funding to accelerate phase-out and/or to maintain momentum.

Solvents

China: ODS phase-out in solvent sector: 2003 annual implementation programme (UNDP) (UNEP/OzL.Pro/ExCom/40/34 and Corr.1)

73. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/34 and Corr.1.

74. The representative of France noted that it was unfortunate that the Government of China did not respect its agreements with the Executive Committee with regard to production and urged the Government of China to review its procedures.

75. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve funding of US \$5,755,000 plus support costs of US \$431,625 for the proposed 2003 annual implementation programme of the solvent sector plan for China;
- (b) Agree to the retention of UNDP as implementing agency for the remaining duration of the project, with support costs of 7.5 percent; and

- (c) Request the Government of China to return the funding of US \$2 million reallocated under Decision 36/46 for uses as originally approved in the solvent sector plan.

India: CTC phase-out plan for the consumption sector (first tranche) (World Bank) (UNEP/OzL.Pro/ExCom/40/36)

76. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/36, which referred to a sector plan for phase-out of the production and consumption of CTC in India. Since the project addressed both production and consumption, it was presented in two parts. Document UNEP/OzL.Pro/ExCom/40/36 related to phase-out of the consumption of CTC. The part dealing with production had been submitted by the World Bank on 17 June 2003 and forwarded for consideration by the Production Sector Subgroup. The Chair indicated that the Sub-Committee would consider only the consumption part of the project.

77. Following a discussion the Sub-Committee recommended that the Executive Committee refer the consumption part of the CTC phase-out plan to the Production Sector Subgroup for consideration as a package together with the CTC production sector phase-out.

India: Conversion of CFC-113 as cleaning solvent to TCE at Bharat Electronics Limited (BEL), Bangalore (UNIDO) (UNEP/OzL.Pro/ExCom/40/36)

78. The Chair referred the Sub-Committee to the project at Bharat Electronics Limited. He indicated that all policy and cost issues were resolved and that the appropriate guarantees about the project's being the last one for CFC-113 in India had been provided.

79. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that India would not seek any further funding for phase-out of CFC-113.

Korea, DPR: Plan for phase-out of CTC in the cleaning solvent sub-sector (UNIDO) (UNEP/OzL.Pro/ExCom/40/38)

80. The Chair indicated that the project had been deferred.

AGENDA ITEM 9: REPORT FROM UNEP ON THE USE OF PROGRAMME SUPPORT COST (Decision 35/36)

81. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/40/45. In response to a number of requests for clarification the representative of UNEP indicated that information on the issues raised could be provided by the UNEP representative from Nairobi who would be attending the 40th Meeting of the Executive Committee.

82. The representative of Japan recalled that the Executive Committee had decided to adopt a unified budget for the financing of Compliance Assistance Programme (CAP) activities to obviate the 13 per cent programme support cost previously charged on individual projects and activities. The representative of Japan noted that in order to avoid instability in the planning of CAP activities and in the level of staff resources, the Executive Committee had adopted a unified budget for CAP to enable the establishment of a core staff in the permanent structure of UNEP as well as the internalisation of programme support costs in a unified budget, thus establishing an administrative budget.

83. In light of this the representative of Japan had considerable difficulty in understanding why UNEP needed further changes in its unified budget and had reintroduced the support costs concept. The representative of Japan could not agree to offering to UNEP the agency support cost system being applied to UNIDO, World Bank and UNDP. Instead UNEP was urged to make the best use of its unified budget and to make more accurate cost estimates for the provision of its administrative budget.

84. Following a discussion, the Sub-Committee recommended that the Executive Committee discuss the matter at its 40th Meeting.

AGENDA ITEM 10: A SYSTEM FOR MONITORING THE IMPLEMENTATION OF THE AGREEMENT ON THE PHASE-OUT OF CTC AND PROCESS AGENTS IN CHINA (Decision 39/46 (c))

85. The Chair stated that because of the recent health crisis in China, the World Bank had not been able to complete and submit the paper.

86. Following a discussion, the Sub-Committee recommended that the Executive Committee request the World Bank to complete the report and submit it to the 41st Meeting of the Executive Committee.

AGENDA ITEM 11: OTHER MATTERS

Timing of information provided to the members of the Sub-Committee on Project Review

87. The representative of France noted that at the present meeting, information had been finalized at the very last minute for a large proportion of projects.

88. The representative of the Secretariat pointed out that pursuant to Decision 18/13, issues relating to costs could be discussed right up to the start of the Sub-Committee's meeting, but that policy issues had to be submitted in writing two weeks before the Executive Committee meeting pursuant to Decision 25/15.

AGENDA ITEM 12: ADOPTION OF THE REPORT

89. The present report was adopted on 15 July 2003, on the basis of the draft report circulated as document UNEP/OzL.Pro/ExCom/SCPR/29/L.1.

AGENDA ITEM 13: CLOSURE OF THE MEETING

90. The Chair noted that the current meeting was the last meeting of the Sub-Committee on Project Review that would be attended by Dr. El-Arini. The Sub-Committee expressed its appreciation for the work of Dr. El-Arini as Chief Officer of the Multilateral Fund Secretariat.

91. After the customary exchange of courtesies, the Chairman declared the meeting closed at 3:30 p.m. on Tuesday, 15 July 2003.

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/40/26
Annex I

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
ARGENTINA						
FUMIGANT						
Methyl bromide						
Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds (third tranche)	UNDP	21.0	\$467,000	\$35,025	\$502,025	22.24
<i>Argentina and UNDP were requested to explore the possibility of expediting the project</i>						
Total for Argentina		21.0	\$467,000	\$35,025	\$502,025	
BELIZE						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project	UNEP		\$76,700	\$0	\$76,700	
<i>Approved on the understanding that the decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues</i>						
Total for Belize			\$76,700		\$76,700	
BENIN						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project	UNEP		\$43,333	\$0	\$43,333	
Total for Benin			\$43,333		\$43,333	
BOLIVIA						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project	UNEP		\$100,000	\$0	\$100,000	
<i>Approved at a level of US \$100,000, representing a one time addition of US \$21,133 to the established funding level of US \$78,867, on an exceptional basis, taking into consideration the circumstances facing the National Ozone Unit in Bolivia as a result of the total destruction of its offices in a fire in February 2003, and on the understanding that the approval was without prejudice to the Montreal Protocol's mechanism dealing with non compliance</i>						
Total for Bolivia			\$100,000		\$100,000	
BURUNDI						
REFRIGERATION						
Preparation of project proposal						
Project preparation for update of refrigerant management plan	UNDP		\$20,000	\$1,500	\$21,500	
Total for Burundi			\$20,000	\$1,500	\$21,500	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CHINA						
SOLVENT						
Multiple solvents						
ODS phase-out in solvent sector: 2003 annual implementation programme	UNDP	733.0	\$5,755,000	\$431,625	\$6,186,625	
<i>The Government of China was requested to return the funding of US\$2 million reallocated under Decision 36/46 for uses as originally approved in the solvent sector plan</i>						
	Total for China	733.0	\$5,755,000	\$431,625	\$6,186,625	
CUBA						
SEVERAL						
Institutional strengthening						
Extension of the institutional strengthening project (phase 4)	UNDP	12.3	\$149,066	\$11,180	\$160,246	
	Total for Cuba	12.3	\$149,066	\$11,180	\$160,246	
EGYPT						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project	UNIDO	18.9	\$228,323	\$17,125	\$245,448	
	Total for Egypt	18.9	\$228,323	\$17,125	\$245,448	
HONDURAS						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project	UNEP		\$57,200	\$0	\$57,200	
	Total for Honduras		\$57,200		\$57,200	
INDIA						
SOLVENT						
Multiple solvents						
Conversion of CFC-113 as cleaning solvent to TCE at Bharat Electronics Limited (BEL), Bangalore	UNIDO	16.0	\$151,291	\$13,616	\$164,907	9.45
<i>Approved on the understanding that India would not seek any further funding for the phase out of CFC-113</i>						
	Total for India	16.0	\$151,291	\$13,616	\$164,907	

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
INDONESIA					
PHASE-OUT PLAN					
CFC phase out plan					
Sector phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector (advance of second tranche)	UNDP	300.0	\$600,000	\$52,900	\$652,900
<i>The Government of Indonesia was urged to report data on its country programme implementation in accordance with Decision 17/34 to enable the Secretariat to analyze the progress of CFC phase out in the refrigeration sector in Indonesia and inform the Executive Committee at its 41st Meeting.</i>					
Total for Indonesia		300.0	\$600,000	\$52,900	\$652,900
JAMAICA					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNEP		\$57,200	\$0	\$57,200
Total for Jamaica			\$57,200		\$57,200
JORDAN					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	IBRD	12.2	\$147,333	\$11,050	\$158,383
Total for Jordan		12.2	\$147,333	\$11,050	\$158,383
KOREA, DPR					
REFRIGERATION					
Domestic					
Sectoral phase-out in domestic refrigeration sector by conversion of refrigeration and compressor manufacture at 5th October Electronic and Automation Company (first tranche)	UNIDO		\$384,000	\$28,800	\$412,800
<i>Approved in principle US \$1,365,011 as the total funding available for the implementation of the project; UNIDO would make every effort to complete the project by 1 January 2005; and UNIDO would include the balance of funding of US \$981,011 in its draft 2004 business plan and request approval of this funding at the 42nd Meeting of the Executive Committee</i>					
Refrigerant management plan					
Assistance for the development of a licensing system and training of customs officers	UNEP		\$50,000	\$6,500	\$56,500
Training of refrigeration service technicians in good servicing practices	UNEP		\$70,000	\$9,100	\$79,100
Monitoring the activities in the refrigeration servicing subsector	UNEP		\$10,000	\$1,300	\$11,300
Provision of basic tools for the registered service workshops	UNIDO		\$100,000	\$9,000	\$109,000
Total for Korea, DPR			\$614,000	\$54,700	\$668,700

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
MALAWI						
FUMIGANT						
Methyl bromide						
Phase-out of all non-essential and non-QPS methyl bromide (release of third tranche)	UNDP	41.1	\$750,000	\$56,250	\$806,250	18.25
<i>UNDP was requested to present a further report on the implementation of the project to the 41st Meeting of the Executive Committee</i>						
Total for Malawi		41.1	\$750,000	\$56,250	\$806,250	
MALAYSIA						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan: 2003 annual work programme	IBRD	1,618.5	\$2,013,100	\$169,179	\$2,182,279	
<i>The Executive Committee commended the Government and the World Bank for the good effort in providing an audit of the CFC imports for the year 2002, and requested the World Bank to apply an equally credible methodology for the verification of the CFC consumption in Malaysia for the year 2002 in 2004. The World Bank was also requested to provide in future work programme submissions a full account of the funds it has received pursuant to the Agreement</i>						
Total for Malaysia		1,618.5	\$2,013,100	\$169,179	\$2,182,279	
MEXICO						
STERILANTS						
Ethylene oxide						
Sterilization group project to replace CFC-12 technology-based sterilization equipment by alternative technologies in the hospital medical sterilization sector	IBRD	14.5	\$288,700	\$21,653	\$310,353	19.95
<i>The Government has the flexibility to implement the project using the technology of its choice and to meet any additional costs involved and no further funding will be requested for the sterilants sector</i>						
Total for Mexico		14.5	\$288,700	\$21,653	\$310,353	
NIGERIA						
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project	UNDP	21.5	\$260,000	\$19,500	\$279,500	
Total for Nigeria		21.5	\$260,000	\$19,500	\$279,500	
PAKISTAN						
HALON						
Preparation of project proposal						
Project preparation for a halon sector phase-out plan	UNIDO		\$22,000	\$1,650	\$23,650	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
SOLVENT						
Multiple solvents						
Conversion of cleaning installations from carbon tetrachloride (CTC) and methyl chloroform (MCF) to tetrachloroethylene (PER) and water in combination with partial process modification at Hirra Farooq Ltd., Lahore <i>Approved on the understanding that proposals to phase out the remaining consumption in the solvent sector should be presented as a sector phase out plan</i>	UNIDO	37.5	\$246,493	\$22,184	\$268,677	6.60
Conversion of cleaning installations from carbon tetrachloride (CTC), methyl chloroform (MCF) and CFC-113 to tetrachloroethylene (PER) and water in combination with process modification at Breeze Frost Industries Ltd., Lahore <i>Approved on the understanding that proposals to phase out the remaining consumption in the solvent sector should be presented as a sector phase out plan</i>	UNIDO	33.2	\$282,056	\$21,254	\$303,310	8.50
Total for Pakistan		70.7	\$550,549	\$45,088	\$595,637	
PANAMA						
REFRIGERATION						
Preparation of project proposal						
Project preparation for update of refrigerant management plan (investment components)	UNDP		\$15,000	\$1,125	\$16,125	
SEVERAL						
Preparation of project proposal						
Project preparation for refrigerant management plan update	UNEP		\$15,000	\$1,950	\$16,950	
Total for Panama			\$30,000	\$3,075	\$33,075	
SERBIA AND MONTENEGRO						
PHASE-OUT PLAN						
Preparation of project proposal						
Assistance to prepare a national CFC phase-out plan (manufacturing sector)	UNIDO		\$40,000	\$3,000	\$43,000	
Assistance to prepare a national CFC phase-out plan (servicing sector)	Sweden		\$65,000	\$8,450	\$73,450	
Total for Serbia and Montenegro			\$105,000	\$11,450	\$116,450	
SEYCHELLES						
REFRIGERATION						
Refrigerant management plan						
Phasing out ODS use in the refrigeration and air conditioning sector	Germany		\$41,607	\$5,409	\$47,016	
Total for Seychelles			\$41,607	\$5,409	\$47,016	

List of projects and activities recommended for approvalUNEP/OzL.Pro/ExCom/40/26
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
THAILAND					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	IBRD	28.6	\$346,667	\$26,000	\$372,667
	Total for Thailand	28.6	\$346,667	\$26,000	\$372,667
VIETNAM					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNEP	9.8	\$118,976	\$0	\$118,976
	Total for Vietnam	9.8	\$118,976		\$118,976
	GRAND TOTAL	2,918.1	\$12,971,045	\$986,325	\$13,957,370

Summary

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Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Refrigeration		\$41,607	\$5,409	\$47,016
Phase-out plan		\$65,000	\$8,450	\$73,450
TOTAL:		\$106,607	\$13,859	\$120,466
INVESTMENT PROJECT				
Fumigant	62.1	\$1,217,000	\$91,275	\$1,308,275
Refrigeration		\$614,000	\$54,700	\$668,700
Solvent	819.7	\$6,434,840	\$488,679	\$6,923,519
Sterilants	14.5	\$288,700	\$21,653	\$310,353
Phase-out plan	1,918.5	\$2,613,100	\$222,079	\$2,835,179
TOTAL:	2,814.8	\$11,167,640	\$878,386	\$12,046,026
WORK PROGRAMME AMENDMENT				
Halon		\$22,000	\$1,650	\$23,650
Refrigeration		\$35,000	\$2,625	\$37,625
Phase-out plan		\$40,000	\$3,000	\$43,000
Several	103.3	\$1,599,798	\$86,805	\$1,686,603
TOTAL:	103.3	\$1,696,798	\$94,080	\$1,790,878
Summary by Parties and Implementing Agencies				
Germany		\$41,607	\$5,409	\$47,016
Sweden		\$65,000	\$8,450	\$73,450
IBRD	1,673.8	\$2,795,800	\$227,882	\$3,023,682
UNDP	1,128.9	\$8,016,066	\$609,105	\$8,625,171
UNEP	9.8	\$598,409	\$18,850	\$617,259
UNIDO	105.6	\$1,454,163	\$116,629	\$1,570,792
GRAND TOTAL	2,918.1	\$12,971,045	\$986,325	\$13,957,370

Annex II**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS
OF INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 40th MEETING***Belize*

1. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Belize and notes with appreciation the fact that Belize reported 2002 consumption data to the Fund Secretariat that are lower than its revised 1995-1997 CFC compliance baseline, and that if confirmed by the Ozone Secretariat Belize would have met its commitments to reduce CFC consumption as well as returned to compliance with the CFC consumption freeze. The Executive Committee also notes that Belize has taken some significant steps to accelerate the phase-out of its consumption of ODS in the period covered by the institutional strengthening renewal project. Specifically in its submission, Belize reports that in addition to its commitments it has taken other important initiatives, namely the continuation of the organization of training workshops in good practices in refrigeration, the promotion of a refrigeration technicians association and the strengthening of its legal and regulatory systems on ODS control. This is encouraging and the Executive Committee greatly appreciates the efforts of Belize to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Belize will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and continue with outstanding progress the implementation of its country programme, refrigerant management plan activities and special measures put in place to reduce its CFC consumption, and sustain and build upon its current levels of reductions in CFCs.

Benin

2. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Benin. The Executive Committee notes with appreciation the fact that the 2001 data reported by Benin to the Ozone Secretariat and the 2002 data reported to the Fund Secretariat are lower than its 1995-1997 average CFC consumption, and that Benin appears to be able to sustain its compliance with the Montreal Protocol measures. The Executive Committee also notes that Benin has taken other significant steps to phase out its consumption of ODS in the period covered by the third phase of the institutional strengthening project. Specifically in its submission, Benin reports that it has taken important initiatives, namely the reduction of ODS imports through the organization of the customs officers' training project and the intensification of awareness raising activities on the consequences of ozone layer depletion throughout the country as well as the participation of the national ozone office in sub-regional projects in halons and methyl bromide. This is encouraging and the Executive Committee greatly appreciates the efforts of Benin to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Benin will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and continue the implementation of its activities with outstanding progress, and sustain and build upon its current levels of reductions in CFCs.

Bolivia

3. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request and notes that although Bolivia was in non-compliance with its obligations under Article 2A of the Montreal Protocol for the control period 1 July 2000 to 30 June 2001 it appears to have taken some significant steps to phase out its ODS consumption and return to compliance in the period covered by the next phase of its institutional strengthening project. The Executive Committee is encouraged by its latest report on progress of implementation of its country programme to the Fund Secretariat in which Bolivia's consumption of Annex A Group I substances for 2002 was reported to be lower than its baseline consumption and it appeared that, if the CFC consumption is maintained at this level or lower, Bolivia will be returning to compliance with its obligations under Article 2A of the Protocol. Bolivia also reported that it has taken initiatives towards the implementation of a national strategy for the elimination of ODS, including a national import licensing and monitoring system and that it will continue to give priority to the implementation of its various training and conversion projects in the refrigeration and foam sectors. These activities are encouraging and the Executive Committee greatly appreciates the efforts of Bolivia to reduce the consumption of CFCs. The Executive Committee expressed the expectation that in the next two years, Bolivia will take steps to ratify the remaining amendment to the Montreal Protocol to which it is not yet a Party, namely the Beijing Amendment and continue to make outstanding progress in its efforts to sustain the progressive reduction of its CFC consumption levels through the implementation of the proposed ENESAO, the refrigerant management plan and other projects and ensure continued and sustained compliance with its obligations under the Montreal Protocol.

Cuba

4. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Cuba and notes with appreciation the fact that Cuba reported 2001 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Cuba appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Cuba has taken some significant steps to phase out its consumption of ODS in the period covered for their institutional strengthening project. Specifically, in its submission, Cuba reports that it has taken important initiatives, namely the organization of training workshops on good practices in refrigeration and custom training, the implementation of projects in the aerosol and tobacco sectors, the preparation of activities in the metered dose inhalers (MDI) sector and the permanent implementation of the national public awareness campaign throughout the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Cuba to reduce the consumption of CFCs. The Executive Committee recognizes the fact that Cuba will have a very challenging period ahead with the difficult task to comply with the 50% reduction of Annex A Group I substance, that is, reaching 312.5 ODP tonnes consumption in 2005. The Executive Committee expressed the expectation that, in the next two years, Cuba will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and continue the implementation of its programmed activities with outstanding progress, and sustain and build upon its current levels of reductions in CFCs.

Egypt

5. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Egypt and notes with appreciation the fact that Egypt reported 2001 CFC consumption data to the Ozone Secretariat and 2002 data to the Fund Secretariat that are lower than its 1995-1997 CFC compliance baseline, and that Egypt appears to be able to comply with and sustain the CFC consumption freeze. The Executive Committee also notes that Egypt has taken some significant steps to phase out its consumption of ODS in the period covered by Phase IV of the institutional strengthening. Specifically in its submission, Egypt reports that it has taken important initiatives, namely the management and coordination of the implementation of investment projects and the refrigerant management plan by implementing and bilateral assistance agencies, monitoring of import and export of ODS. This is encouraging and the Executive Committee greatly appreciates the efforts of Egypt to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Egypt will take steps to ratify the remaining amendment to the Montreal Protocol to which it is not yet a Party, namely the Beijing Amendment and continue the implementation of its action plan with outstanding progress, and sustain and build upon its current levels of reductions in CFCs and other ODS.

Honduras

6. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Honduras and notes with appreciation the fact that Honduras reported 2002 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that while Honduras appears to be able to sustain its compliance with the CFC consumption freeze. The Executive Committee also notes that while Honduras has taken some significant steps to phase out its consumption of CFCs in the period covered by their institutional strengthening project, there appears to have been appreciable increase in consumption of other ODS, notably methyl bromide. In its submission, Honduras reports that it has taken important initiatives, namely the reduction of ODS imports through a licensing and quota system to control ODS trade and the intensification of awareness-raising activities on ozone layer protection throughout the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Honduras to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Honduras will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and continue the implementation of its activities with outstanding progress, sustain and build upon its current levels of reductions in CFCs and achieve progress in the reduction of its consumption of methyl bromide.

Jamaica

7. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Jamaica and notes with appreciation the fact that Jamaica reported 2002 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Jamaica has complied with and been able to sustain the CFC consumption freeze. The Executive Committee also notes that Jamaica has taken some significant steps to

phase out its consumption of ODS in the period covered by for the institutional strengthening project. Specifically in its submission, Jamaica reports that it has taken important initiatives, namely the organization of training workshops in good practices in refrigeration (chillers and MAC) drafting of legislation for enactment by Parliament and conducting public awareness activities throughout the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Jamaica to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Jamaica will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and continue the implementation of the terminal phase-out management plan with outstanding success, and sustain and build upon its current levels of reductions in CFCs and other ODS.

Jordan

8. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Jordan and notes with appreciation the fact that Jordan reported 2001 CFC consumption data (321.0 ODP tonnes) to the Ozone Secretariat and recently reported 2002 data to the Fund Secretariat (121.3 ODP tonnes) that are significantly lower than its 1995-1997 CFC compliance baseline of 673.27 ODP tonnes, and that Jordan appears to be progressively reducing its CFC consumption, sustaining the CFC consumption freeze and moving towards compliance with the next reduction target of 50% reduction in baseline consumption. The Executive Committee also notes with appreciation that Jordan has ratified all amendments to the Montreal Protocol and that it has taken some significant steps to phase out its consumption of other ODS in the period covered by Phase IV of the institutional strengthening project. Specifically in its submission, Jordan reports that it has taken important initiatives through supervision and monitoring of the implementation of approved projects, field surveys and data collection and organization of public awareness programmes to facilitate the reduction of ODS consumption in the country. This is encouraging and the Executive Committee greatly appreciates the efforts of Jordan to reduce the consumption of CFCs and other ODS. The Executive Committee expressed the expectation that, in the next two years, Jordan will continue the implementation of the ongoing and planned projects with outstanding progress, and sustain and build upon its current levels of reductions in CFCs and other ODS.

Nigeria

9. The Executive Committee has reviewed the information presented with the institutional strengthening project for Nigeria and notes that while Nigeria has been in non-compliance during the 2000 and 2001 control period, the CFC consumption level for 2002 was lower than the 1999 freeze level. This is encouraging as Nigeria appears to be on its way to be in compliance with the Montreal Protocol, and it is the expectation of the Executive Committee that with the implementation of the performance-based CFC-phase-out plan approved at its 38th Meeting Nigeria will continue to remain in compliance with the Montreal Protocol CFC reduction schedules in the years to come. In its submission, Nigeria reported on a number of initiatives it has taken, including: Ratification of the London, Copenhagen and Montreal amendments to the Montreal Protocol, National workshops on the preparation of the refrigeration management plan (RMP) and the country programme, preparation of local database,

establishment of a programme for ODS phase-out in the oil & gas sector, strengthening of the three zonal ozone desks in Lagos, Kano & P/Harcourt, survey and workshop in the halon and aerosol sectors, International Ozone Day celebrations, introduction of import restrictions for old equipment that depend on CFC and creation of Nigeria's ozone website. Over the next two years, the country intends to ensure a successful implementation of the approved National CFC Phase-out plan, complete the country programme update, continue all awareness-raising operations, actively participate in regional methyl bromide programme, ensure good code of practice in the refrigeration and air conditioning sector, control importation/use of ODS and ODS equipment, ensure improved ODS import controls. The Executive Committee is encouraged by these initiatives and expresses the expectation that, in the next two years, Nigeria will have fully implemented these and other initiatives that are essential to ensure the reduction of its consumption to levels that will meet the compliance requirements of the Montreal Protocol. It is also the expectation of the Committee that within this period Nigeria will take steps to ratify the remaining amendment to the Montreal Protocol to which it is not yet a Party, namely the Beijing Amendment.

Thailand

10. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Thailand and notes with appreciation the fact that Thailand reported 2001 CFC consumption data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Thailand continues to sustain its compliance with the CFC consumption freeze. The Executive Committee also notes that while Thailand has taken some significant steps to reduce its consumption of ODS in the period covered by the institutional strengthening project there has been some increase in consumption of some ODS, notably halon and methyl bromide. In its submission Thailand reports that it has taken important initiatives, namely the coordination of the implementation of approved activities resulting in permanent reduction of 2,500 ODP tonnes, establishment of inventory of remaining users of CFC, establishment of effective import quota and monitoring system, training and equipment of MAC service shop operators and commercial refrigerator manufacturers. This is encouraging and the Executive Committee greatly appreciates the efforts of Thailand to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Thailand will take steps towards the ratification of the remaining Amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments and implement its action plan with outstanding progress to enable it to sustain and build upon its current levels of reductions in CFCs and achieve progress in the reductions in consumption of other ODS.

Viet Nam

11. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Viet Nam and notes with appreciation the fact that Viet Nam reported 2002 CFC consumption data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline, and that Viet Nam appears to be able to sustain its compliance with the CFC consumption freeze. The Executive Committee also notes that although Viet Nam has taken some significant steps to phase out its consumption of most ODS in

the period covered by phase III of the institutional strengthening project, there was significant increase in the consumption of halons. In its submission, Viet Nam reports that it has taken important initiatives, namely the improvement of its ODS monitoring and control system through increased involvement of customs officers, sustaining compliance through the continuation of the implementation of activities under the refrigerant management plan, the completion of the final umbrella project to fully eliminate CFCs in the aerosol sector and the use of mass media in its awareness-raising activities focusing on the refrigeration servicing sector. This is encouraging and the Executive Committee greatly appreciates the efforts of Viet Nam to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years Viet Nam will take steps to ratify the remaining amendments to the Montreal Protocol to which it is not yet a Party, namely Montreal and Beijing Amendments, continue the implementation of its activities with outstanding progress, sustain and build upon its current levels of reductions in CFCs and achieve progress in the reduction of consumption of halons.
