



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/63/1/Add.1
16 March 2011



ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-third Meeting
Montreal, 4-8 April 2011

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organizational matters

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/63/1 contains the provisional agenda for the 63rd Meeting of the Executive Committee.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee might wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/63/1 and, if needed, as amended verbally at the plenary.

(b) Organization of work

The Chairperson will propose to the plenary the organization of work.

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/63/2 presents a report on the activities of the Secretariat since the 62nd Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 62nd Meeting, the preparations for the 63rd Meeting, and information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this reporting period.

Issues to be addressed: None.

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

Action expected from the Executive Committee: The Executive Committee may wish to take note of the report on the Secretariat activities (document UNEP/OzL.Pro/ExCom/63/2).

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/63/3 provides information on the Status of the Fund as recorded at UNEP as of 1 March 2011. At that date, the Fund balance stood at US \$139,090,813. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 62nd Meeting.

Issues to be addressed:

- Establishment of a provision for a doubtful debts account.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in document UNEP/OzL.Pro/ExCom/63/3;
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible; and
- (c) To note UNEP's proposal to make provision for doubtful debts in the accounts of the Multilateral Fund in line with the recommendation of the United Nations Board of Auditors.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/63/4 presents a summary of the financial adjustments indicated by the bilateral and implementing agencies and agreed by the Fund Secretariat. The document includes statistical data from projects with balances that have been held for over the allowable 12-month period following completion of the project and indicates the level of resources available to the 63rd Meeting of the Executive Committee.

Issues to be addressed:

- Unobligated balances on projects completed over two years ago.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/63/4;
- (b) To note the net level of funds being returned by the implementing agencies to the 63rd Meeting was US \$147,387 against projects, which included the return of US \$67,890 from UNDP, US \$39,140 from UNEP, and US \$40,357 UNIDO;
- (c) To note the net level of support costs, being returned by the implementing agencies to the 63rd Meeting was US \$15,670 against projects, which included the return of US \$8,707 from UNDP, US \$3,591 from UNEP and US \$3,372 from UNIDO;

- (d) To note with concern that implementing agencies had balances totalling US \$3,301,923 excluding support costs, from projects completed over two years previously, which included US \$886,174 for UNDP, US \$1,124,885 for UNEP, US \$634,543 for UNIDO, and US \$656,321 for the World Bank;
 - (e) To note that bilateral agencies had balances totalling US \$96,319 excluding support costs from projects completed over two years attributed to France and Japan;
 - (f) To note the net level of funds and support costs being returned by the bilateral agencies to the 63rd Meeting is US \$1,008,739. This includes a return of US \$52,712 by Finland, US \$558,527 from Canada and US \$397,500 from France and to request the Treasurer to follow-up with Finland, France and Canada on the cash transfer of those amounts;
 - (g) To approve the transfer of the halon project in the Islamic Republic of Iran (IRA/HAL/28/TAS/49) from France to UNIDO, with the consent of the Iranian Government, at the amount of US \$397,500 in project cost plus support cost of US \$29,813, and offset bilateral funding of France by US \$397,500;
 - (h) To approve the transfer of the national methyl bromide phase-out plan in Mexico (second tranche) (MEX/FUM/60/INV/149) from Canada to UNIDO, with the consent of the Government of Mexico, at the amount of US \$500,000 in project cost plus US \$37,500 in support cost, and offset bilateral funding of Canada by US \$500,000 plus support cost of US \$58,527;
 - (i) To request UNDP to follow up on clearing the obligated balances and report progress made in the financially closed projects by the 64th Meeting;
 - (j) To note UNEP explanation regarding the obligated balance against the institutional strengthening project approved in 2002 and request UNEP to justify obligated balances on projects completed over two years ago to the 64th Meeting;
 - (k) To request UNIDO to return un-obligated balances on project completed over two years ago to the 64th Meeting, and to expedite the financial completion of projects with obligated balances completed over two years ago with a view to returning these balances.
- (b) Availability of cash flow for the 2011 budget**

Document UNEP/OzL.Pro/ExCom/63/5 contains an assessment of cash flow for the 2011 budget by considering expected receipt of revenue for the 2009-2011 triennium, the anticipated time of receipt of revenue, additional revenue from other sources, and the impact on business planning. The document concludes with summary observations and recommendations.

Issues to be addressed:

- US \$275.4 million of the US \$287.7 million remaining from the 2009-2011 replenishment is expected to be available for programming in 2011; and
- Up to US \$54.8 million of programmable funding may not be available until after 2011.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To note the information on the availability of cash flow for the 2011 budget as contained in document UNEP/OzL.Pro/ExCom/63/5; and

- (b) To agree on a 2011 budget of US \$275.4 million noting that only US \$220.6 million is likely to be available in 2011.
- (c) **Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol**

Document UNEP/OzL.Pro/ExCom/63/6 includes nine parts. Part I, prepared in response to decisions 32/76(b) and 46/4, contains an update on the status of compliance of Article 5 countries. Part II provides information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance. Part III presents data on the implementation of country programmes (CP), including an analysis of the ozone-depleting substances (ODS) consumption data, by sector. Part IV presents information on the revision of CP format and reporting. Part V addresses projects with implementation delays and those for which additional status reports had been requested. Part VI summarizes the status of HPMP development. Part VII covers the extent to which licensing systems address the HCFC control measures adopted in 2007. Part VIII presents a summary of actions undertaken by lead agencies to obtain co-financing and Part IX contains a report on dialogues between UNIDO and Kyrgyzstan on the 2009 business plan qualitative performance evaluation.

Issues to be addressed:

- Only 11 countries used web-based CP data reporting and the proposal to require the use of the web-based system starting with the report on 2011 data;
- Need to modify CP data reporting format to remove CFCs, CTCs and halon from reports starting with the 2012 data report;
- Eight countries reported less than satisfactory operation of licensing systems;
- Three countries have not ratified the Copenhagen Amendment that is required for funding of HCFC phase-out; and
- Report by UNIDO on consultations with Kyrgyzstan.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting:
- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, Italy, Japan, Spain and the four implementing agencies, addressed in UNEP/OzL.Pro/ExCom/63/6;
 - (ii) That only 11 country programme (CP) reports for the year 2009 were submitted through the web-based system, which was initiated on 25 April 2007;
 - (iii) The completion of eleven of the 26 projects listed with implementation delays;
 - (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify governments and implementing agencies as required;
- (b) Requesting:
- (i) That all CP reports must be submitted through the web-based portal starting with the 2011 CP report that is due on 1 May 2012;

- (ii) That CFC, CTC and halon should be removed from the CP report format as shown in Annex III to the present document starting with the report on 2012 data due on 1 May 2013;
- (iii) UNEP Compliance Assistance Programme (CAP) to ascertain the reasons that licensing systems in Cook Islands (the), Ethiopia, Haiti, Kiribati, Lesotho, Mauritania, Micronesia (Federated States of) and Senegal are not operating well and the countries' plans to improve the operation of their licensing systems;
- (iv) Additional status reports on the projects listed in Annexes VII, VIII and IX to document UNEP/OzL.Pro/ExCom/63/6;
- (v) That letters of possible cancellation should be sent in respect of the following project:

Agency	Code	Project Title
UNDP	COL/PAG/48/INV/66	Phase-out of CTC as process agent in the elimination of nitrogen trichloride during chlorine production at Prodesal S.A.

- (vi) The Governments of France, Israel and Portugal to provide their implementation delays reports to the 64th Meeting of the Executive Committee;
- (c) Encouraging the Governments of Angola, Guinea and Nepal to ratify the Copenhagen Amendment to enable them to access funding for HCFC phase-out as required under decision 53/37; and
- (d) Noting the report provided by UNIDO on the results of its consultations with Kyrgyzstan on the 2009 business plans' qualitative performance evaluations in line with decision 61/17(d).

6. 2011-2014 business plans

(a) Consolidated business plan of the Multilateral Fund

Document UNEP/OzL.Pro/ExCom/63/7 presents an analysis of the business plans submitted by the bilateral and implementing agencies to the 63rd Meeting. It contains eight sections addressing resource allocation, MYAs and standard costs, ODS disposal activities, HCFC activities, the impact of adjustments based on existing Executive Committee decisions, performance indicators, other policy issues and recommendations. For HCFC activities, the tonnage included in the business plan compared to estimated baselines, the climate impact of HCFC activities, production sector, demonstration projects, additional project preparation, servicing, foam, and refrigeration sectors are also addressed.

Issues to be addressed:

- Although plans cover US \$4.6 million less than the US \$287.7 million left in the triennium, the approval of activities in 2011 could lead to exceeding the budget for the period 2011-2014 by US \$230.9 million;
- Window for ODS activities for low-volume-consuming (LVC) countries;
- Business plans and approved projects would address 20 percent of the estimated baseline of Article 5 countries;

- The climate impact benchmarks in the business plan account for a minimum permanent annual climate impact of 78.96 million CO₂ equivalent-tonnes including 24.39 million CO₂-equivalent tonnes for HFC-23 emissions saved from HCFC-22 production phase-out;
- The need for a global project for information, communication and education activities for a knowledge portal for HCFC phase-out and HPMP implementation;
- Adjustments based on existing decisions would reduce the 2011-2014 budget deficit to US \$147.7 million and need for further reductions;
- Allowing the modification of performance indicators only if new Executive Committee decisions are applied to adjust business plans as submitted;
- Endorsement of the consolidated business plan and notation of agency business plans;
- Distribution of annual tranches of HPMPs after 2011-2014;
- Definition of stage II HPMPs and possible stage II HPMPs in the 2011-2014 business plans;
- Duration of the next business plan;
- Change of implementing agency after project preparation funding; and
- Tonnage distribution by agency in approved HPMPs.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To endorse the Consolidated 2011-2014 Business Plan of the Multilateral Fund as adjusted by the Secretariat contained in UNEP/OzL.Pro/ExCom/63/7, while noting that endorsement denotes neither approval of the projects identified therein nor their funding or tonnage levels, and the endorsement is with any modifications based on consideration of whether:
 - (i) Any further modifications are warranted to reduce the business plan levels to the planned budget for the 2011-2014 business plan period;
 - (ii) To remove the global project for information, communication and education activities in the development and implementation of a knowledge portal for HCFC phase-out and HCFC phase-out management plan (HPMP) implementation;
 - (iii) To maintain possible stage II activities in the business plan for those countries that have already received funding to phase out more than 10 per cent of their estimated baseline/starting point;
- (b) To maintain current levels of funding for institutional strengthening for business planning purposes until such time as a decision is taken on the actual levels;
- (c) To set a window for ODS destruction for low-volume-consuming (LVC) countries pursuant to decision XXI/2 amounting to US \$5.633 million in 2010 and 2011 that would result in the destruction of 308.8 ODP tonnes;
- (d) To allow the modification of performance indicators based on data in business plans, as submitted, only if new Executive Committee decisions are applied to adjust submitted business plans;
- (e) To monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet those commitments;
- (f) To determine that stage II HPMPs should begin upon the completion of stage I HPMPs;

- (g) To consider whether:
- (i) Project preparation should be funded for stage II activities the year prior to the completion of stage I;
 - (ii) The value of stage II HPMPs should be included in future business plans assuming existing HCFC cost guidelines;
 - (iii) The duration of the next business plan should be only for the next triennium 2012-2014, or longer to accommodate planned future funding requirements;
- (h) To remove the UNDP HPMP activities for the Gambia from UNDP's business plan as requested by the Government of the Gambia;
- (i) To agree that any project preparation activity funding should be deducted from the funding eligibility for the HPMP if a country chooses to assign another implementing agency, different from the one originally approved to conduct the HPMP; and
- (j) To request the bilateral and implementing agencies to agree on a distribution of the tonnage for HPMPs followed by agreement with the relevant countries and report to the 64th Meeting on the agreement.

(b) Business plans of the implementing agencies

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/63/8 presents the business plans for bilateral agencies submitted to the 63rd Meeting. The Governments of Australia, the Czech Republic, Germany, Italy and Japan submitted business plans for the years 2011-2014.

Issues to be addressed:

- Germany's 2011 activities in its business plan exceed the maximum level of Germany's bilateral contributions for the 2009-2011 triennium by US \$3,041,375.

Action expected from the Executive Committee: The Executive Committee may wish to consider noting:

- (a) The 2011-2014 business plans of bilateral cooperation submitted by Australia, the Czech Republic, Germany, Italy and Japan as addressed in document UNEP/OzL.Pro/ExCom/63/8; and
- (b) That, with respect to potential over-programming in Germany's business plan, if all the funding could be approved in the current year, Germany would team up with other agencies to share the activities, and that all the countries that could be affected by the over-programming had been made aware that Germany might not have sufficient funds to submit their activities for funding in 2011.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/63/9 contains a summary of UNDP's planned activities for the phase-out of ODS for the period 2011-2014 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains UNDP's

business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Modifications to performance indicators.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting the 2011-2014 business plan of UNDP as contained in document UNEP/OzL.Pro/ExCom/63/9; and
- (b) Approving the performance indicators for UNDP set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/63/9 while setting a target of 40 for annual tranches of multi-year agreements (MYAs) approved, 21 for individual projects approved, 1.7 ODP tonnes for ODS phase-out for individual projects, 28 for project completion and 2 for milestone activities completed for MYAs.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/63/10 contains a summary of UNEP'S planned activities for the phase-out of ODS for the period 2011-2014 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains UNEP's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Modifications to performance indicators.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting the 2011-2014 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/63/10; and
- (b) Approving the performance indicators for UNEP set out in Tables 5 and 6 as contained in document UNEP/OzL.Pro/ExCom/63/10 while setting a target of 81 for annual tranches of multi-year agreements (MYAs) approved, 80 for individual projects approved, 13.3 ODP tonnes for ODS phase-out for individual projects, 26 for project completion and 3 for milestone activities completed for MYAs.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/63/11 contains a summary of UNIDO's planned activities for the phase-out of ODS for the period 2011-2014 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains UNIDO's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Modifications to performance indicators.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting the 2011-2014 business plan of UNIDO as contained in document UNEP/OzL.Pro/ExCom/63/11; and
 - (b) Approving the performance indicators for UNIDO set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/63/11 while setting a target of 43 for annual tranches of multi-year agreements (MYAs) approved, 594 ODP tonnes for ODS phase-out for individual projects and 19 for project completion.
- (v) World Bank**

Documents UNEP/OzL.Pro/ExCom/63/12 and Add.1 contain a summary of the World Bank's planned activities for the phase-out of ODS for the period 2011-2014 and the impact of the Fund Secretariat's adjustments based on existing Executive Committee decisions. It also contains the World Bank's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Additional resource mobilization activity to develop a Clean Development Mechanism (CDM) methodology; and
- Modifications to performance indicators.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting the 2011-2014 business plan of the World Bank as contained in documents UNEP/OzL.Pro/ExCom/63/12 and Add.1; and
- (b) Approving the performance indicators for the World Bank set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/63/12;
- (c) Whether to maintain or remove the activity to develop a methodology to generate carbon credits from avoidance of HFC-23 emissions through reduced HCFC-22 use in/from the World Bank's business plan; and
- (d) Modifying the World Bank's performance indicators by setting a target of 4 for the number of approved individual projects, depending on the Committee's decision on whether to maintain or remove the activity to develop a methodology to generate carbon credits from HFC-23 avoidance through reduced HCFC-22 use.

7. Programme implementation

- (a) Monitoring and evaluation: Draft Monitoring and Evaluation work programme for the years 2011 and 2012**

Document UNEP/OzL.Pro/ExCom/63/13 contains the draft monitoring and evaluation work programme for the years 2011 and 2012. It presents a proposal for the evaluation studies to be conducted in 2011 and 2012; the general methodological approach; and the budget required for the 2011 work programme.

Issues to be addressed:

- Evaluation studies proposed for 2011 and 2012;
- Implementation modalities and methodological approach; and
- Budget for 2011.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Approving the proposed 2011 work programme at a budget of US \$153,750, as shown in document UNEP/OzL.Pro/ExCom/63/13;
- (b) Noting:
 - (i) The draft monitoring and evaluation work programme for 2012; and
 - (ii) That the budget for the 2012 draft monitoring and evaluation work programme will be submitted for approval at the 65th Meeting of the Executive Committee.

(b) Annual tranche submission delays

Document UNEP/OzL.Pro/ExCom/63/14 addresses delays in the submissions of tranches that were due to the current meeting and indicates that all annual tranches due were submitted except one.

Issues to be addressed:

- One of the five annual tranches in multi-year agreements (MYAs) due for submission to the 63rd Meeting was not submitted.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Noting with appreciation, the information on annual tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by the World Bank as contained in the document UNEP/OzL.Pro/ExCom/63/14;
- (b) Noting that four of the five annual tranches of MYAs due for submission had been submitted on time to the 63rd Meeting; and
- (c) Requesting the Secretariat to send a letter to the Government of India to urge the signing of the grant agreement for the accelerated CFC production sector closure project as soon as possible to enable the submission of the second tranche of the agreement to the 64th Meeting.

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

Document UNEP/OzL.Pro/ExCom/63/15 consists of progress reports on the implementation of the projects for Brazil, China, Costa Rica and Paraguay. It also addresses the request for project transfer in Mexico and the proposal for use of the remaining budget in Sri Lanka.

Issues to be addressed:

- Halon 1301 tail emissions from the production of Friponil in China.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) With regard to Brazil:
- (i) To note the 2009 verification report and the 2010 annual implementation report of the national CFC phase-out plan (NPP) in Brazil;
 - (ii) To approve the annual implementation plan for 2011; and
 - (iii) To request the Government of Brazil with the assistance of UNDP as lead implementing agency, to continue submitting annual implementation reports regarding the previous year to the first meeting of the Executive Committee every year until the NPP is completed.
- (b) With regard to China:

Halon production and consumption phase-out programme

- (i) To request that the Government of China and the World Bank continue to report to the Fund Secretariat on the amount of halon 1301 emitted through tail gas emissions resulting from production of Friponil without incineration systems in future annual technical audit reports.

Conversion demonstration from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd.

- (ii) To note the report on safety and technical feasibility analysis of the project to demonstrate the conversion from HCFC-141b-based to cyclopentane-based pre-blended polyols in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd., submitted by the World Bank;
- (iii) To authorize the disbursement of US \$635,275 by the World Bank to China for Stage II of the project; and
- (iv) To request that the World Bank to submit the report for Stage I of the project including cost calculations for safety measures for consideration at the 65th Meeting of the Executive Committee.

Refrigeration servicing sector CFC phase-out plan

- (v) To take note of the progress report on the implementation of the refrigeration servicing sector phase-out plan in China during 2010; and
- (vi) To approve the implementation programme for 2011, on the understanding that UNIDO will provide annually by calendar year, reports on the activities undertaken, the funds spent and budget remaining, until the financial closure of the phase-out plan.

- (c) With regard to Costa Rica:
 - (i) To note the 2010 annual progress report on the implementation of the fifth tranche of the project for the total phase-out of methyl bromide (MB) used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications, in Costa Rica;
 - (ii) To note that the consumption of MB in Costa Rica in 2010 was below the maximum level of consumption indicated in the revised schedule for the phase-out of MB for the country;
 - (iii) To authorize the disbursement of US \$255,000 by UNDP to Costa Rica as part of the fifth tranche of the project; and
 - (iv) To request UNDP to present annual progress reports on implementation of the project, including financial reports, until the project was completed in accordance with decision 59/36.

- (d) With regard to Mexico:
 - (i) Approve the transfer of US \$500,000, plus support costs of US \$37,500 to UNIDO for the implementation of the second tranche of the phase-out of MB in commodities in Mexico;
 - (ii) Approve the transfer from the Government of Canada to UNIDO of US \$417,522, excluding agency support costs, associated with the 2012 and 2013 work programmes for the phase-out of MB in commodities in Mexico; and
 - (iii) Approve the revised agreed conditions for the phase-out of methyl bromide in Mexico as attached to this document as Annex II to document UNEP/OzL.Pro/ExCom/63/15.

- (e) With regard to Paraguay:
 - (i) Note the progress report on the implementation of terminal phase-out management plan (TPMP) for Annex A, Group I substances for the 2010 implementation period; and
 - (ii) Request Paraguay to use the balance of funds remaining from the second, third and fourth tranches of the TPMP to complete the remaining activities to sustain zero consumption of CFCs and support other activities to facilitate the phase-out of HCFCs in Paraguay.

- (f) With regard to Sri Lanka:
 - (i) Note the report from the Government of Japan on the proposal for the utilization of remaining funds under the National Compliance Action Plan (NCAP) of Sri Lanka;
 - (ii) Approve the request by the Government of Sri Lanka, to continue the implementation of the phase-out activities approved under the NCAP to sustain zero consumption of CFCs and support other activities to facilitate the phase-out of HCFCs in Sri Lanka; and

- (iii) To submit a final report on the implementation of the activities under the NCAP no later than the 66th Meeting of the Executive Committee.

8. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/63/16 contains four sections: an analysis of the number of projects submitted by bilateral and implementing agencies to the 63rd Meeting; policy issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration.

Issues to be addressed:

- Discrepancies between data reported under Article 7 of the Montreal Protocol and that reported under the HPMP;
- Additional funding requests for HCFC phase-out outside of approved HPMPs;
- Funding for conversion of eligible enterprises that currently have very low levels of HCFC consumption;
- Applicability of HCFC cost-effectiveness thresholds for LVC countries.

Action expected from the Executive Committee: The Executive Committee may wish:

Projects and activities submitted for blanket approval

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex [] to the final report, together with the conditions or provisions included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee; and
- (b) To agree 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 [] to the final report;

Discrepancies between data reported under Article 7 and in HPMPs

The Executive Committee might wish to consider that the calculation of the starting points for aggregate reductions in HCFC consumption for HPMPs should be based on the latest accepted HCFC consumption data that has been reported under Article 7.

Additional funding requests for HCFC phase-out outside approved HPMPs

The Executive Committee might wish to request that Article 5 countries with reported HCFC consumption solely in the refrigeration servicing sector and with foam enterprises relying exclusively on imported HCFC-141b pre-blended polyol systems could, on an exceptional and on a case-by-case basis, submit a funding request for the conversion of these enterprises during implementation of stage I of the HPMP, on the understanding that:

- (a) There are no systems houses in the country concerned, and funding for the conversion of any of the foam enterprises was not requested but fully described in the submission of stage I of the HPMP;
- (b) All foam enterprises and the annual amount of HCFC-141b contained in imported pre blended polyol systems during the three years prior to the submission of stage I of the HPMP would be included therein;
- (c) The eligibility of the foam enterprises will be determined at the time of the submission of the project, and the funding level would be based on the amount of HCFC-141b contained in imported pre-blended polyol systems as defined under paragraph (b) above;
- (d) The project proposal would completely phase-out the use of HCFC-141b in imported pre blended polyol systems and would include a commitment from the country to put in place, by the time the last foam manufacturing plant had been converted to a non-HCFC technology, regulations or policies banning the import and or the use of HCFC-141b pre blended polyol systems in line with decision 61/47.

Funding for conversion of eligible enterprises with very little or no current consumption of HCFCs

The Executive Committee may wish to consider whether enterprises with no reported consumption of HCFCs in the last two years prior to submission of a funding request could be considered eligible for funding on a case-by-case basis on condition that it was clearly demonstrated that an immediate return to foam production would put the country at potential risk of non-compliance with the impending control targets of the Montreal Protocol.

Applicability of HCFC cost-effectiveness thresholds for LVC countries

The Executive Committee may wish to consider the issue of conversion of the manufacturing enterprise in light of the comments contained in UNEP/OzL.Pro/ExCom/63/16 and the decisions taken by the Committee itself and the Parties to the Montreal Protocol referred to in the same document.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/63/17 provides an overview of requests from bilateral agencies, and whether they are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2011. Of the sixteen projects submitted to the 63rd Meeting, three are fully addressed in this document (one of which was recommended for blanket approval and was considered under agenda item 8(a)), while the others are addressed in the respective country project proposals.

Issues to be addressed:

- Projects not required for compliance; and
- Resource mobilization activity.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To consider whether to approve the project Regional customs cooperation to prevent illegal trade in ozone-depleting substances in the Europe and Central Asia region for one year only, at the level of funding of US \$80,500 plus support costs of US \$10,465 for the

Czech Republic, without prejudice to future funding approvals for the remaining year proposed for the project;

- (b) To consider whether a study on mechanisms and strategies for accounting emission reductions related to HCFC phase-out in the post-2012 climate regime should be funded as resource mobilization activities in light of the above comments; and
- (c) To request the Treasurer to offset the costs of the bilateral projects approved at the 63rd Meeting as follows:
 - (i) [US \$XXX] (including agency fees) against the balance of Australia's bilateral contribution for 2011;
 - (ii) [US \$XXX] (including agency fees) against the balance of Czech Republic's bilateral contribution for 2011;
 - (iii) [US \$XXX] (including agency fees) against the balance of France's bilateral contribution for 2011;
 - (iv) [US \$XXX] (including agency fees) against the balance of Germany's bilateral contribution for 2009 – 2011;
 - (v) [US \$XXX] (including agency fees) against the balance of Italy's bilateral contribution for 2011; and
 - (vi) [US \$XXX] (including agency fees) against the balance of Japan's bilateral contribution for 2011.

(c) Work programmes

(i) 2011 work programme of UNDP

Document UNEP/OzL.Pro/ExCom/63/18 contains 3 activities submitted by UNDP including two requests for renewal of the institutional strengthening projects, and one request for technical assistance for resource mobilization. The requests for renewal of the institutional strengthening projects were recommended for blanket approval and were considered under agenda item 8(a). The rest is for individual consideration.

Issues to be addressed:

- Resource mobilization activity.

Action expected from the Executive Committee: The Executive Committee may wish to consider whether the project preparation for four pilot projects in the refrigeration and air-conditioning manufacturing sector that look at technical interventions to improve energy efficiency, national-level policy and regulatory measures to sustain such interventions in order to maximise the climate impact of HCFC phase-out should be funded as resource mobilization activities.

(ii) 2011 work programme of UNEP

Document UNEP/OzL.Pro/ExCom/63/19 contains 9 activities submitted by UNEP, including requests for eight institutional strengthening projects, and one request for technical assistance resource mobilization. Seven activities were recommended for blanket approval and were

considered under agenda item 8(a). Two are for individual consideration and are described in this work programme.

Issues to be addressed:

- Non-ratification of the amendments to the Montreal Protocol; and
- Resource mobilization activity.

Action expected from the Executive Committee: The Executive Committee may wish to consider:

- (a) Whether or not approve the institutional strengthening request for Angola; and
- (b) Whether the preparation of the study on financing options, regional workshops on co-financing, and/or one or more pilot applications of co-financings for one or more low-volume consuming country with an approved HPMP should be funded as resource mobilization.

(iii) 2011 work programme of UNIDO

Document UNEP/OzL.Pro/ExCom/63/20 contains 7 activities submitted for funding by UNIDO including 6 requests for project preparation and one technical assistance request. All six requests for project preparation were recommended for blanket approval and were considered under agenda item 8(a). The technical assistance request is for individual consideration.

Issues to be addressed:

- Resource mobilization activity

Action expected from the Executive Committee: The Executive Committee may wish to consider whether project development for possible co-financing for HCFC activities and disseminating results of these projects should be funded as resource mobilization activities.

(iv) 2011 work programme of the World Bank

Document UNEP/OzL.Pro/ExCom/63/21 contains two activities submitted for funding by the World Bank including one request for project preparation and the other is for technical assistance. The project preparation request was recommended for blanket approval and was considered under agenda item 8(a). The request for a technical assistance project for resource mobilization is for individual consideration.

Issues to be addressed:

- Resource mobilization activity

Action expected from the Executive Committee: The Executive Committee may wish to consider whether scaling up future contributions, monetization of future carbon credits, and scaling up financing scenarios for five contributing Parties should be funded as resource mobilization.

(d) Investment projects

Document UNEP/OzL.Pro/ExCom/63/16 contains a list of projects for individual consideration (see Tables 2 to 6). All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in agenda item 8(a).

Issues to be addressed: In the tables below, each of the projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the tables.

Table 2. Non-HCFC investment projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
CFC phase-out plans				
Eritrea	Terminal phase-out management plan (second tranche)	UNEP UNIDO	63/29	Lack of progress in implementation
Iraq	National phase-out plan (second tranche)	UNEP UNIDO	63/36	Submission of the verification report
Pilot ODS disposal projects				
Ghana	Pilot demonstration project on ODS waste management and disposal	UNDP	63/31	Technical and cost-related issues have been satisfactorily addressed
Mexico	Pilot demonstration project on ODS waste management and disposal	UNIDO	63/42	Technical and cost-related issues have been satisfactorily addressed

Table 3. HCFC stand-alone projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
Aerosol sector				
Mexico	Phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico	UNIDO	63/42	Technical and cost-related issues have been satisfactorily addressed

Table 4. HPMPs for LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Benin	HCFC phase-out management plan (stage I, first tranche)	UNEP UNIDO	63/23	All issues have been satisfactorily addressed
Congo	HCFC phase-out management plan (stage I, first tranche)	UNEP UNIDO	63/27	All issues have been satisfactorily addressed
Georgia	HCFC phase-out management plan (stage I, first tranche)	UNDP	63/30	All issues have been satisfactorily addressed
Guyana	HCFC phase-out management plan (stage I, first tranche)	UNDP UNEP	63/32	All issues have been satisfactorily addressed
Honduras	HCFC phase-out management plan (stage I, first tranche)	UNEP UNIDO	63/33	All issues have been satisfactorily addressed
Kyrgyzstan	HCFC phase-out management plan (stage I, first tranche)	UNDP UNEP	63/37	All issues have been satisfactorily addressed
Liberia	HCFC phase-out management plan (stage I, first tranche)	Germany	63/39	All issues have been satisfactorily addressed
Mali	HCFC phase-out management plan (stage I, first tranche)	UNDP UNEP	63/40	All issues have been satisfactorily addressed
Montenegro	HCFC phase-out management plan (stage I, first tranche)	UNIDO	63/44	All issues have been satisfactorily addressed
Pacific Island Countries	HCFC phase-out management plan for PIC countries through regional approach (stage I, first tranche)	UNEP	63/46	Regional approach covering 12 Article 5 countries
Paraguay	HCFC phase-out management plan (stage I, first tranche)	UNEP UNDP	63/48	All issues have been satisfactorily addressed
Republic of Moldova	HCFC phase-out management plan (stage I, first tranche)	UNDP	63/49	All issues have been satisfactorily addressed
Sao Tome and Principe	HCFC phase-out management plan	UNEP	63/50	All issues have been satisfactorily addressed

Country	Project	Agency	ExCom	Issue
Timor-Leste	HCFC phase-out management plan	UNEP UNDP	63/53	All issues have been satisfactorily addressed
HPMPs for accelerated HCFC phase-out in advanced of the Montreal Protocol				
Bhutan	HCFC phase-out management plan (first tranche)	UNDP UNEP	63/24	Accelerated HCFC phase-out
Mauritius	HCFC phase-out management plan (first tranche)	Germany	63/41	Accelerated HCFC phase-out
Namibia	HCFC phase-out management plan (first tranche)	Germany	63/45	Accelerated HCFC phase-out
Papua New Guinea	HCFC phase-out management plan (first tranche)	Germany	63/47	Accelerated HCFC phase-out
Seychelles	HCFC phase-out management plan (first tranche)	Germany	63/51	Accelerated HCFC phase-out
HPMPs with other policy issues				
Lao People's Democratic Republic	HCFC phase-out management plan (stage I, first tranche)	France UNEP	63/38	Calculation of baseline. Additional funding to be requested for foam enterprises using imported systems
Mongolia	HCFC phase-out management plan (stage I, first tranche)	UNEP Japan	63/43	Funding for enterprises with low levels of consumption
Swaziland	HCFC phase-out management plan (stage I, first tranche)	UNEP UNDP	63/52	Applicability of cost-effectiveness threshold

Table 5. HPMPs for non-LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Afghanistan	HCFC phase-out management plan (stage I, first tranche)	Germany UNEP	63/22	All issues have been satisfactorily addressed
Chile	HCFC phase-out management plan (stage I, first tranche)	UNEP UNDP	63/25	Phase-out of the servicing sector only
Democratic Republic of Congo	HCFC phase-out management plan (stage I, first tranche)	UNEP UNDP	63/28	All issues have been satisfactorily addressed
Indonesia	HCFC phase-out management plan (stage I, first tranche)	Australia UNDP UNIDO World Bank	63/34	All issues have been satisfactorily addressed
Islamic Republic of Iran	HCFC phase-out management plan (stage I, first tranche)	Germany UNDP UNEP UNIDO	63/35	All issues have been satisfactorily addressed
Bolivarian Republic of Venezuela	HCFC phase-out management plan (stage I, first tranche)	UNEP UNIDO	63/54	Technical and cost issues under discussion
Viet Nam	HCFC phase-out management plan (stage I, first tranche)	World Bank	63/55	Technical and cost issues under discussion

Table 6. HCFC phase-out activities in China (UNEP/OzL.Pro/ExCom/63/26)

Phase-out activity	Agency
HCFC phase-out management plan (HPMP) for China: Overarching strategy summary	UNDP
Sector plan for phase-out of HCFC-141b in the foam sector (phase I)	World Bank
Sector plan for phase-out of HCFCs in the extruded polystyrene (XPS) foam sector (phase I)	Germany/UNIDO
Demonstration project for conversion from HCFC-22/HCFC-142b technology to CO ₂ with methyl formate co-blowing technology in the manufacture of XPS foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd.	UNDP
Demonstration project for conversion from HCFC-22 to butane blowing technology in the manufacture of XPS foam at Shanghai Xinzhao Plastic Enterprises Co. Ltd.	UNIDO/Japan
Sector plan for HCFC phase-out in the industrial and commercial refrigeration and air conditioning sectors (stage I)	UNDP
HCFC-22 phase-out management plan for the room air-conditioner manufacturing sector	UNIDO
Demonstration project on HCFC management and phase-out in the refrigeration servicing sector	UNEP/Japan
Demonstration project for conversion from HCFC-141b-based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	UNDP/Japan

Action expected from the Executive Committee: The Executive Committee may wish to consider whether to approve each of the projects listed in the tables above on the basis of the discussions held under agenda item 8(a), information provided in the relevant project proposal document including the Secretariat's comments, any additional documents circulated in accordance with decision 41/80 and, any information provided at the meeting by the Secretariat or the relevant implementing/bilateral agency.

9. Country programme

Document UNEP/OzL.Pro/ExCom/63/56 contains a country programme submitted on behalf of the Government of Timor-Leste.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish:

- (a) To approve the Timor-Leste country programme (CP), noting that approval of the CP does not denote approval of the projects identified therein or their funding levels. Approval of the Timor-Leste CP should be without prejudice to the operation of the Montreal Protocol's mechanism for addressing possible non-compliance; and
- (b) To request the Government of Timor-Leste to submit information annually to the Executive Committee on progress being made in the implementation of the CP, in accordance with the decision of the Executive Committee on implementation of CPs (UNEP/OzL.Pro/ExCom/10/40, para. 135) using the approved on-line format. The initial report covering the period 1 January 2011 to 31 December 2011 should be submitted to the Fund Secretariat no later than 1 May 2012.

10. Report on multi-year agreement tables database for HCFC phase-out management plans (decision 59/7)

Document UNEP/OzL.Pro/ExCom/63/57 provides information to the Executive Committee regarding the progress on the development of a database for the annual reporting on multi-year agreements, called multi-year agreement tables.

Issues to be addressed:

- The need to update entries in MYA database after approvals of the HPMPs.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Note the report on multi-year agreement (MYA) tables database for HCFC phase-out management plans (HPMPs);
- (b) Request further work to be undertaken as outlined in the report;
- (c) Note that the responsibility for the MYA database is returning to the Senior Monitoring and Evaluation Officer;
- (d) Request agencies to update the entries in the MYA database shortly after the approval of the HPMP to reflect the approved and planned activity for the HPMP and the relevant annual plans until and including the year of the next tranche submission; and
- (e) Request the Senior Monitoring and Evaluation Officer to inform the Executive Committee whether the respective agencies have complied with the request from the Executive Committee under (d) above.

11. Report on the Multilateral Fund Climate Impact Indicator (decisions 59/45 and 62/62)

Document UNEP/OzL.Pro/ExCom/63/58 is submitted by the Secretariat pursuant to decision 62/62. It contains a description of the results from the application of the Multilateral Fund Climate Impact Indicator (MCII) to a subset of project submissions, from the 60th Meeting onwards, as per decision 59/45. Annex I to the document contains the comments/contributions of members of the Executive Committee to the web-based discussion and the related replies by the Secretariat; Annex II includes the related technical description referring to refrigeration, air conditioning, foam, solvent, process agent and refrigeration servicing sectors; and Annex III illustrates a largely automated model for the calculation of the MCII for the refrigeration sector.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to:

- (a) Take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII);
- (b) Request the Secretariat to finalize the development of the MCII for the different sectors as outlined in document UNEP/OzL.Pro/ExCom/62/56;
- (c) Request the Secretariat to inform the Executive Committee about progress made and experience gained in applying the MCII to project submissions not later than the 65th Meeting;
- (d) Request the Secretariat to apply the climate indicator to the relevant projects and sub projects submitted to allow the climate impact of the technological options presented in the submissions to be measured; and
- (e) Request the Secretariat to present a fully developed version of the MCII to the Executive Committee available not later than the 66th Meeting, in order to enable an assessment of whether this can be applied as a fully integrated tool for the preparation and assessment

of project submissions in order to calculate the climate impact of the HCFC consumption projects of the Multilateral Fund.

12. Report of the Sub-group on the Production Sector

Document UNEP/OzL.Pro/ExCom/63/59 will be issued during the 63rd Meeting and it will provide a report of the meeting of the Production Sector Sub-group to take place in the margins of the Meeting. The document will contain an account of the Sub-group's consideration of a provisional agenda, a Status report on the technical audit of the HCFC Production Sector in China, Work to-date on remaining elements of a final decision with respect to the HCFC production sector (documents UNEP/OzL.Pro/ExCom/63/SGP/1-3).

13. Other matters

If substantive issues are agreed for inclusion under agenda item 2(a), these will be taken up under this agenda item.

14. Adoption of the report

The Committee will have in front of it the draft report of the 63rd Meeting for its consideration and adoption.

15. Closure of the meeting

The meeting is expected to be closed on Friday, 8 April 2011.
