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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-sixth Meeting
Montreal, 16-20 April 2012

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/66/1 contains the provisional agenda for the 66th Meeting of the Executive Committee.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/66/1 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/66/2 presents a report on the activities of the Secretariat since the 65th Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 65th Meeting, the preparations for the 66th 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.

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/66/2).

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/66/3 provides information on the Status of the Fund as recorded at UNEP as of 9 March 2012. At that date, the Fund balance stood at US \$30,390,979. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 65th Meeting.

Issues to be addressed: None.

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/66/3;
- (b) To urge all Parties eligible to use the fixed-exchange-rate mechanism to advise the Treasurer of their intention to do so before the 67th Executive Committee meeting;
- (c) To request the Treasurer to add to his report to the meetings of the Executive Committee the list of Parties that have opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2012 – 2014; and
- (d) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/66/4 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 66th meeting of the Executive Committee.

Issues to be addressed:

- Long outstanding obligated balances on projects completed in 2005, 2006 and 2007.

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/66/4;
- (b) To note that the net level of funds being returned by the implementing agencies to the 66th meeting was US \$2,773,074 against projects, which included the return of US \$676,933 from UNDP, US \$52,098 from UNEP, US \$130,094 from UNIDO and US \$1,913,949 from the World Bank;
- (c) To note that the net level of support costs being returned by the implementing agencies to the 66th meeting was US \$255,336 against projects, which included the return of

US \$73,257 from UNDP, US \$6,773 from UNEP, US \$13,866 from UNIDO and US \$161,340 from the World Bank;

- (d) To note that the return from the World Bank includes the transfer of US \$1,835,205, plus US \$154,294 in support cost from the World Bank to UNEP for the national CFC phase-out plan for the Philippines, in accordance with decision 65/10(e);
- (e) To note that implementing agencies had balances totalling US \$1,235,799 excluding support costs, from projects completed over two years previously, which included US \$362,381 for UNDP, US \$266,972 for UNEP and US \$606,446 for UNIDO;
- (f) To request agencies with long outstanding obligated balances on projects completed in 2005, 2006 and 2007 to return these balances as soon as possible;
- (g) To note that the Government of France had un-obligated balances totalling US \$78,440 excluding support costs attributed to a project completed over two years previously;
- (h) To note that UNIDO's report to the 66th meeting reflects nil un-obligated balances for completed projects as a follow up to decision 64/2(i) and 65/2(b);
- (i) To note the net level of funds and support costs being returned by the Governments of Italy and Japan to the 66th meeting was US \$382 and US \$77,949, respectively, and to request the Treasurer to follow up with Italy and Japan on their return in cash to the Fund; and
- (j) To note Italy's return of accrued interest of US \$260,777 as additional income to the Fund through UNIDO as its implementing agency (IA) and request the Treasurer to follow up with the IA on this return.

(b) Financial planning for 2012-2014

Document UNEP/OzL.Pro/ExCom/66/5 is intended to assist the Executive Committee to address elements of decision XXIII/15 of the Meeting of the Parties regarding the Multilateral Fund's budget of US \$450 million for the 2012–2014 triennium. It reviews the commitments and resources available for new activities, bilateral contributions and resource availability in the light of expected cash flow during the triennium, and provides the Executive Committee with proposed annual budgets and other recommendations for its consideration.

Issues to be addressed:

- Commitments and resources available for new activities during 2012-2014;
- Bilateral contributions;
- Cash flow and receipt of contributions
- Arrears from 2009-2011 triennium and countries that have not previously paid contributions;
- Encashment of promissory notes;
- Fund balance and earnings from interest;
- Assumptions for full allocation of the 2012-2014 budget;
- Frontloading/back-loading budgets; and
- Annual budgets and resource allocation for 2012-2014 in view of agency business plans.

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

- (a) To note the report on financial planning for the 2012-2014 triennium as contained in UNEP/OzL.Pro/ExCom/66/5;
- (b) To request:
 - (i) That bilateral agencies specify the costs of planned activities in their annual business plans and remain within those estimates specified when submitting these projects during the 2012-2014 triennium;
 - (ii) Those contributing Parties that do not provide for accelerated encashment of promissory notes to consider allowing either an accelerated encashment schedule or adjusting their encashment schedule of future promissory notes to correspond to the year in which those contributions are due;
- (c) To urge:
 - (i) Contributing Parties to make payments for each year by June in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, to enable the full commitment of the US \$450 million budget during the 2012-2014 triennium as foreseen in decision XXIII/15 (paragraph 3) of the Twenty-third Meeting of the Parties;
 - (ii) Those contributing Parties with arrears from the 2009-2011 triennium to pay them during 2012, since they account for US \$10.3 million of the US \$34.9 million carry-over from the 2009-2011 triennium noting that US \$24.6 million is available for commitment;
 - (iii) Countries with economies in transition that have not paid previously to make their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol for the 2012-2014 triennium;
- (d) To consider the availability of cash flow for the 2014 budget at the first meeting of 2014 in light of the collection of interest, the payment of contributions from countries that have not previously paid, and any losses due to non-payment or the fixed-exchange-rate mechanism; and
- (e) To adopt a resource allocation of US \$145 million in 2012, US \$145 million in 2013, and US \$160 million in 2014 with any unallocated funds to be subsequently allocated during the present triennium.
- (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/66/6 contains four parts. Part I has been prepared in response to decisions 32/76(b) and 46/4, which requested the Secretariat to prepare an update for each meeting of the Executive Committee on the status of compliance of Article 5 countries. Part II contains 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, including an analysis of the ozone-depleting substances (ODS) consumption data, by sector. Part IV addresses those projects with implementation delays and those projects for which additional status reports had been requested.

Issues to be addressed:

- Of the 25 compliance-related issues in 2011, one has been resolved;
- Data on the implementation of CPs indicate that:
 - 59 countries submitted data using the web-based system for 2010;
 - For the 145 countries reporting 2009 and 2010 data, HCFC consumption increased by 7.2 per cent;
- Need for additional status reports; and
- Letter of possible cancellation for one project.

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

(a) Noting:

- (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of France, Italy, Japan and Portugal addressed in UNEP/OzL.Pro/ExCom/66/6;
- (ii) That 59 country programme (CP) implementation reports for the year 2010 were submitted through the web-based system, which was initiated on 25 April 2007;
- (iii) The completion of six of the 22 projects listed with implementation delays as indicated in Annex III;
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (some progress as per Annex IV) and report to and notify governments and implementing agencies as required;

(b) Requesting:

- (i) That letters of possible cancellation be sent in respect of the following projects:

Agency	Code	Project title
UNEP	GLO/REF/48/TAS/275	Global technical assistance programme in the chiller sector
UNIDO	MEX/ARS/53/INV/135	Phase-out of CFC consumption in the manufacture of aerosol MDIs

- (ii) Additional status reports on the projects listed in Annexes VII and VIII to the present document;
- (iii) The Governments of Israel and Spain to provide their implementation delays reports to the 67th meeting of the Executive Committee; and
- (iv) The possible cancellation by mutual agreement of the following project following confirmation at the 66th meeting:

Agency	Code	Project title
UNIDO	CRO/FOA/59/INV/34	Phase-out of HCFC-141b from the manufacturing of polyurethane rigid foam at Pavusin

6. 2012-2014 business plans

(a) Consolidated business plan of the Multilateral Fund

Documents UNEP/OzL.Pro/ExCom/66/7 and Add.1 present an analysis of the business plans submitted by the bilateral and implementing agencies to the 66th 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:

- The business plan value for 2012-2014 exceeds the budget by a total of about US \$102.9 million;
- Preparation of guidelines for stage II of HCFC phase-out management plan (HPMP) preparation;
- A project for promoting alternatives to HCFCs in air-conditioning sectors in high-ambient temperature countries in West Asia for 2012;
- The climate impact benchmarks in the business plan account for a minimum permanent annual climate impact of 56.13 million CO₂ equivalent-tonnes including 24.4 million CO₂-equivalent tonnes for HFC-23 emissions saved from HCFC-22 production phase-out;
- Adjustments based on existing decision would exceed the budget by US \$89.06 million;
- Over-budgeting and distribution of annual tranches of HCFC phase-out management plans (HPMPs) and availability of funding for the HCFC consumption and production sectors;
- Whether to remove, maintain, or maintain but re-phase to after 2012:
 - New HCFC activities that exceed a 10 per cent reduction of the baseline;
 - Activities not required for compliance; and
- Activities for the United Arab Emirates.

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

- (a) To endorse the consolidated 2012-2014 business plan of the Multilateral Fund as adjusted by the Secretariat [and the Executive Committee] as contained in documents UNEP/OzL.Pro/ExCom/66/7 and Add.1, while noting that endorsement denotes neither approval of the projects identified therein nor their funding or tonnage levels, and based on its consideration of whether:
- (i) To adjust the business plans as proposed by the Secretariat;
 - (ii) A project for promoting alternatives to HCFCs in air-conditioning sectors in high-ambient temperature countries in West Asia should be maintained in the business plan for 2012 at this time;
 - (iii) The new HCFC activities that exceed a 10 per cent reduction of the baseline should be removed, maintained, or maintained but re-phased to after 2012 pending resolution of outstanding requirements for compliance in the business plans, in light of the fact that the business plans have activities that exceed the budget for the triennium;

- (iv) The activities not required for compliance should be removed, maintained, or maintained but re-phased to after 2012 pending resolution of outstanding requirements for compliance, in the business plans;
- (a)(bis) Consider the request of the United Arab Emirates for assistance from the Multilateral Fund;
- (b) To consider requesting the Fund Secretariat, in cooperation with the implementing agencies, to prepare guidelines for stage II of HCFC phase-out management plan (HPMP) preparation in the light of any comments raised during the meeting; and
- (c) To monitor the results of proposed funding distributions in the light of approved commitments to ensure that planned funding would be available to meet commitments for both the HCFC consumption and production sectors.

(b) Business plans of the implementing agencies

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/66/8 presents the business plans for bilateral agencies submitted to the 66th meeting. The Governments of Germany and Japan submitted business plans for the years 2012-2014.

Issues to be addressed:

- Germany's business plan for the 2012-2014 triennium exceeds the maximum level of bilateral contributions by US \$6,166,163 including commitments to MYAs.

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

- (a) Noting the 2012-2014 business plans of bilateral cooperation submitted by Germany and Japan as addressed in document UNEP/OzL.Pro/ExCom/66/8; and
- (b) Whether the over-programming in Germany's business plan can be maintained in the light of funding already approved for multi-year agreement commitments during the 2012-2014 triennium.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/66/9 contains a summary of UNDP's planned activities for the phase-out of ODS for the period 2012-2014 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 2012-2014 business plan of UNDP as contained in document UNEP/OzL.Pro/ExCom/66/9; and

- (b) Approving the performance indicators for UNDP set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/66/9 while setting a target 18.9 ODP tonnes for ODS phase-out for individual projects and 41 for project completion.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/66/10 contains a summary of UNEP'S planned activities for the phase-out of ODS for the period 2012-2014 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 2012-2014 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/66/10; and
- (b) Approving the performance indicators for UNEP set out in Tables 5 and 6 as contained in document UNEP/OzL.Pro/ExCom/66/10 while setting a target of 26 for annual tranches of multi-year agreements (MYAs) approved, 77 for the number of individual projects approved, zero ODP tonnes for ODS phased out for individual projects, 41 for project completion and 5 for milestone activities completed for MYAs.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/66/11 contains a summary of UNIDO's planned activities for the phase-out of ODS for the period 2012-2014 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:

- Funding for demonstration projects on alternatives to methyl bromide for quarantine and pre-shipment (QPS) applications; and
- Modifications to performance indicators.

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

- (a) Noting the 2012-2014 business plan of UNIDO as contained in document UNEP/OzL.Pro/ExCom/66/11;
- (b) Approving the performance indicators for UNIDO set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/66/11 while setting a target of 10 for individual projects approved; and
- (c) Whether funding demonstration projects on alternatives to methyl bromide for quarantine and pre-shipment (QPS) applications might be added to UNIDO's business plan.

(v) World Bank

Document UNEP/OzL.Pro/ExCom/66/12 contains a summary of the World Bank's planned activities for the phase-out of ODS for the period 2012-2014 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:

- Modifications to performance indicators.

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

- (a) Noting the 2012-2014 business plan of the World Bank as contained in document UNEP/OzL.Pro/ExCom/66/12; and
- (b) Approving the performance indicators for the World Bank set out in Table 5 as contained in document UNEP/OzL.Pro/ExCom/66/12 while setting a target of 5 for annual tranches of multi-year agreements (MYAs) approved, 4 for individual projects approved, 8.5 ODP tonnes for ODS phased out for individual projects, 6 for project completion and 2 for milestone activities completed for MYAs.

7. Programme implementation:**(a) Monitoring and evaluation:****(i) Compilation of comments and responses received on the desk study on the evaluation of multi-year agreement projects (decision 65/7)**

Document UNEP/OzL.Pro/ExCom/66/13 is prepared in response to decision 65/7. It contains two annexes: Annex I – comments and responses received following the dissemination of the first draft of the desk study on the evaluation of multi-year agreement projects to the bilateral and implementing agencies; and Annex II – comments and responses received during intersessional discussions by two constituencies. The responses were provided by the consultants who drafted the desk study and the Senior Monitoring and Evaluation Officer.

Issues to be addressed:

- Whether a corrigendum is still required.

Action expected from the Executive Committee: The Executive Committee may wish to note the comments and responses received on the desk study on the evaluation of multi-year agreement projects contained in document UNEP/OzL.Pro/ExCom/66/13, and that the Senior Monitoring and Evaluation Officer will issue a corrigendum to document UNEP/OzL.Pro/ExCom/65/9 on the desk study as needed.

(ii) Terms of reference for the evaluation of multi-year agreement projects (second phase)

Document UNEP/OzL.Pro/ExCom/66/14 contains the terms of reference for the evaluation of multi-year agreement projects (second phase). It presents issues to be addressed in the cases

studies, suggests a sample of countries for the field visits, and provides justification of inclusion of low-volume-consuming (LVC) countries in the sample.

Issues to be addressed:

- Whether LVC countries should be included in the sample.

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

- (a) To note the terms of reference for the evaluation of multi-year agreement projects (second phase) presented in document UNEP/OzL.Pro/ExCom/66/14; and
- (b) To consider whether the evaluation should focus on non-low-volume-consuming (non-LVC) countries only or on both LVC and non-LVC countries.

(iii) Desk study on the evaluation of methyl bromide projects

Document [UNEP/OzL.Pro/ExCom/66/15](#) presents a synthesis of the study conducted by the Senior Monitoring and Evaluation Officer and a consultant who analyzed the documentation available and summarized findings. The main objective of the desk study is to identify the key issues affecting sustainability of the methyl bromide phase-out, to determine questions needing follow-up for the full evaluation, to involve implementing agencies in the preparation of the evaluation, and to obtain feedback from the Executive Committee on the suggested evaluation issues and approach.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in document [UNEP/OzL.Pro/ExCom/66/15](#), including the proposed evaluation issues and approach for the final phase of the evaluation.

(b) Annual tranche submission delays

Document [UNEP/OzL.Pro/ExCom/66/16](#) 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:

- Seven of the 17 annual tranches in multi-year agreements (MYAs) due for submission to the 66th meeting were not submitted.

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

- (a) The information on annual tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by Germany, UNDP, UNEP and UNIDO as contained in document [UNEP/OzL.Pro/ExCom/66/16](#); and
- (b) That ten out of 17 annual tranches of MYAs due for submission had been submitted on time to the 66th meeting.

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

Document UNEP/OzL.Pro/ExCom/66/17 consists of progress reports on the implementation of national phase-out plans (NPPs), terminal phase-out management plans (TPMPs), sector plans, an institutional strengthening project, resource mobilization projects, ODS destruction projects and HCFC demonstration and investment projects.

Issues to be addressed:

- Need to continue reporting progress on the implementation of the NPP for Brazil and to submit a project completion report upon completion;
- The request by the Government of Côte d'Ivoire to the Ozone Secretariat to change its CFC consumption data reported under Article 7 for the years 2007 and 2008;
- Need to submit the verification reports for 2009 and 2010 consumption in Indonesia, to continue reporting progress on the implementation of the NPP, and to submit a project completion report upon completion;
- Need to continue reporting progress on the implementation of the TPMP for Kyrgyzstan;
- Use of the remaining funds under the NCPP for the Philippines, the need to provide an annual report on progress made and to submit a subsequent annual work plan;
- Obsolescence of decision 65/10(j)(iii) and (iv); requests for a report on the status of the use of CTC for the production of vinyl chloride monomer in India, and a work plan covering the remaining funds under the CTC phase-out plan in India;
- Proposal for alternative methods of disbursement, organizational structures and monitoring procedures for the institutional strengthening project for the Democratic People's Republic of Korea;
- Request for reports on progress and experiences gained in the pilot demonstration projects on ODS waste management and disposal for Cuba and Ghana; and
- Request for a supplement report on "Low cost options for the use of hydrocarbons in the manufacture of polyurethane foam: an assessment for the application in MLF projects" subsequent to finalization of the additional investigations on safety related issues, densities and optimization of equipment and further development of a costing concept based on the pre-blended hydrocarbon polyols.

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

National phase-out plans (NPPs) and terminal phase-out management plans (TPMPs)

- (a) With regard to Brazil:
- (i) To note the 2010 verification report and the 2011 annual implementation report of the national CFC phase-out plan (NPP) in Brazil;
 - (ii) To approve the annual implementation plan for 2012; and
 - (iii) To request UNDP to continue reporting progress on the implementation of the national phase-out plan for Brazil, while providing such further reports in a format and on a schedule consistent with the outcome of the discussion under agenda item 7(d); and
 - (iv) To request the Government of Brazil and UNDP, on completion of the NPP, to submit a project completion report in accordance with the format noted at the 65th meeting.

- (b) With regard to Burkina Faso:
 - (i) To take note of the report on the verification of the CFC consumption for Burkina Faso and the country's compliance with its phase-out obligations for CFC consumption; and
 - (ii) To further note with appreciation that Burkina Faso has reported zero consumption of CFCs under Article 7 of the Montreal Protocol since 2008.
- (c) With regard to Côte d'Ivoire:
 - (i) To take note of the report on the verification of the CFC consumption in Cote d'Ivoire and the country's compliance with its phase-out obligations for CFC consumption under the terminal phase-out management plan for the period 2007 to 2008 and that the country has reported zero consumption of CFCs in 2010; and
 - (ii) To note the request by the Government of Cote d'Ivoire to the Ozone Secretariat to change its CFC consumption data reported under Article 7 for the years 2007 and 2008.
- (d) With regard to Indonesia:
 - (i) To take note of the verification report on the 2007-2008 ODS consumption in Indonesia;
 - (ii) To request UNDP, on behalf of the Government of Indonesia, to submit the verification reports for 2009 and 2010 to the 68th meeting;
 - (iii) To request UNDP to report progress on the implementation of the national phase-out plan (NPP) for Indonesia as follows:
 - a. For the years 2008 to 2011 to the 67th meeting, while providing these reports in a format consistent with the outcome of the discussion under agenda item 7(d);
 - b. For the years 2012 and future years, while providing such further reports in a format and on a schedule consistent with the outcome of the discussion under agenda item 7(d); and
 - (iv) To request the Government of Indonesia and UNDP, on completion of the NPP, to submit a project completion report in accordance with the format noted at the 65th meeting.
- (e) With regard to Kyrgyzstan:
 - (i) To note the report on the 2010-2011 work programme associated with the third and final tranche of the terminal phase-out plan (TPMP) for Kyrgyzstan;
 - (ii) To request UNEP to continue reporting progress on the implementation of the TPMP for Kyrgyzstan, while providing such further reports in a format and on a schedule consistent with the outcome of the discussion under agenda item 7(d); and

- (iii) To request the Government of Kyrgyzstan and UNEP, on completion of the TPMP, to submit a project completion report in accordance with the format noted at the 65th meeting.
- (f) With regard to Philippines (the):
 - (i) To note:
 - a. The verification report of 2009 and 2010 CFC consumption in the Philippines and the country's compliance with its phase-out obligations for CFC consumption;
 - b. That the Philippines has reported zero consumption of CFCs under Article 7 of the Montreal Protocol for 2010;
 - c. The annual implementation plan under the national CFC phase-out plan for April 2012 to April 2013 submitted by UNEP on behalf of the Government of the Philippines and approving the activities contained therein for the disbursement of no more than US \$471,630 for this period and to request UNEP to provide an annual report to the Executive Committee on progress made at the 70th meeting in a format consistent with the outcome of the discussion under agenda item 7(d); and
 - (ii) To request the Government of the Philippines through UNEP to submit a subsequent annual work plan for the remaining balance of US \$1,407,221 no later than the 68th meeting of the Executive Committee, taking into account that remaining funds should consider activities that will facilitate the phase-out of HCFCs within the context of the country's HCFC phase-out management plan.
- (g) With regard to Sao Tome and Principe:
 - (i) To take note of the report on the verification of the CFC consumption Sao Tome and Principe for the period 2007 to 2009 and the country's compliance with its phase-out obligations for CFC consumption; and
 - (ii) To further note that Sao Tome has reported zero consumption of CFCs under Article 7 of the Montreal Protocol for 2009 and 2010.

Sector phase-out plans

- (h) With regard to China:
 - (i) To take note of the 2009/2010 progress report for the solvent sector plan for ODS phase-out in China; and
 - (ii) To take note of the associated TCA verification reports for 2009 and 2010.
- (i) With regard to India:
 - (i) To note that paragraph 8 of decision XXIII/7 of the 23rd Meeting of the Parties which considers the use of carbon tetrachloride for the production of vinyl chloride monomer for the purpose of calculated levels of production and consumption, on an exceptional basis, to be a feedstock use until 31 December 2012, supersedes sub-paragraphs (iii) and (iv) of decision 65/10(j) of the

Executive Committee;

- (ii) To request the World Bank to provide, to the 69th meeting, a report on the status of the use of carbon tetrachloride for the production of vinyl chloride monomer in India;
- (iii) To take note of the report on implementation of the CTC phase-out plan for the consumption and production sectors for India in 2010, and the related verification provided; and
- (iv) To request the World Bank to provide to the 67th meeting a work plan covering the funds remaining in the CTC phase out plan in India.

Institutional strengthening

- (j) With regard to Democratic People's Republic of Korea:
 - (i) To note the report, submitted by UNEP, on the implementation of the Executive Committee's decision 64/20 on the institutional strengthening project for the Democratic People's Republic of Korea; and
 - (ii) To consider whether the proposed alternative methods of disbursement, organizational structures and monitoring procedures respond to the concerns expressed by the Executive Committee at its 64th meeting.

Resource mobilization for climate co-benefits

- (k) To note the interim report on the resource mobilization for climate co-benefits submitted by UNDP and to re-iterate decision 63/20(a)(i) by which UNDP was requested to inform the Executive Committee of the four proposals specified above no later than the 67th meeting, noting that this would be submitted for information only and that these proposals would not be funded under the Multilateral Fund;
- (l) To note the interim report on the project for resource mobilization to address climate co-benefits for HCFC phase-out in LVC countries with servicing sector only, in cooperation with other agencies, submitted by UNEP;
- (m) To note the interim report on the project for resource mobilization for HCFC phase-out and climate co-benefits submitted by UNIDO and to re-iterate decision 63/23(a)(i) by which UNIDO was requested to inform the Executive Committee of the two proposals specified above no later than the 67th meeting, noting that this would be submitted for information only and that the two proposals would not be funded under the Multilateral Fund; and
- (n) To note the interim report on the resource mobilization for HCFC phase-out co-benefits study submitted by the World Bank.

ODS destruction projects

- (o) With regard to Cuba:
 - (i) To note the status report on the pilot demonstration project on ODS waste management and disposal for Cuba submitted by UNDP; and

- (ii) To request UNDP to submit a report to the 69th meeting of the Executive Committee on progress and experiences gained in the pilot demonstration project for Cuba in accordance with decisions 58/19(a)(iii) and 64/50.
- (p) With regard to Ghana:
 - (i) To note the status report on the pilot demonstration project on ODS waste management and disposal for Ghana submitted by UNDP; and
 - (ii) To request UNDP to submit a report to the 69th meeting of the Executive Committee on progress and experiences gained in the pilot demonstration project for Ghana in accordance with decisions 58/19(a)(iii) and 64/50.

HCFC demonstration and investment projects

- (q) With regard to the assessment of methylal as blowing agent in the manufacture of polyurethane foam systems:
 - (i) To note with appreciation the report entitled “Methylal as blowing agent in the manufacture of polyurethane foam systems. An assessment for the application in MLF projects”, submitted by UNDP; and
 - (ii) To request bilateral and implementing agencies to share the UNDP assessment report on methylal, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC-141b in polyurethane foam applications.
- (r) With regard to the assessment of low costs options for the use of hydrocarbons in the manufacture of polyurethane foams:
 - (i) To note with appreciation the report entitled “Low cost options for the use of hydrocarbons in the manufacture of polyurethane foams: An assessment for the application in MLF projects”, submitted by UNDP;
 - (ii) To request UNDP to finalize the additional investigations on safety related issues, densities and optimization of equipment and further develop a costing concept based on the pre-blended hydrocarbon polyols and submit a supplementary report to the 67th meeting; and
 - (iii) To request bilateral and implementing agencies to share the UNDP assessment report on low cost options for the use of hydrocarbons in the manufacture of polyurethane foams, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC-141b in polyurethane foam applications.
- (d) Systematizing and streamlining reporting on progress to the Executive Committee across the spectrum of reports**

Document [UNEP/OzL.Pro/ExCom/66/18](#) is intended to assist the Executive Committee to address decision 64/6(c) to define the exact nature, content and timing of status information to be provided in the progress reports and to explore ways to further systematize and streamline reporting on progress to the Executive Committee across the spectrum of reports. The document

describes the types of reports submitted to the Executive Committee and summarizes the proposals agreed.

Issues to be addressed:

- Reporting information formerly required for the agenda item “Report on implementation of approved projects with specific reporting requirements” in the context of all status reports along with issues on compliance in an agenda item and document to be entitled “Status Reports and Compliance”;
- Including information on multi-year agreement (MYA) in the remarks column of the Annual Progress and Financial Report (APF) in the narrative of the annual implementation plan (AIP) with any differences explained;
- Not requiring AIPs in the absence of a funding tranche request except in those cases where there is an issue on the application of the penalty clause;
- Submitting project completion reports (PCRs) with any available verification reports along with Table 8 of the approved MYA format in lieu of AIPs; and
- Requesting UNEP to present its detailed annual progress report for the Compliance Assistance Programme (CAP) activities to the third meeting of the year in the context of the annual CAP approval and identify any project implementation impediments for the CAP project in the AFP.

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

- (a) To note the document “Systematizing and streamlining reporting on progress to the Executive Committee across the spectrum of reports” as contained in document UNEP/OzL.Pro/ExCom/66/18;
- (b) To request:
 - (i) That the information formerly required for the agenda item “Report on implementation of approved projects with specific reporting requirements” should be reported in the context of all status reports along with issues on compliance in an agenda item and document to be entitled “Status Reports and Compliance”;
 - (ii) That the information on multi-year agreement (MYA) in the remarks column of the Annual Progress and Financial Report (APF) should be included in the narrative of the annual implementation plan (AIP) with any differences explained;
 - (iii) That AIPs are not required in the absence of a funding tranche request except in those cases where there is an issue on the application of the penalty clause;
 - (iv) That agencies submit project completion reports (PCRs) with any available verification reports along with Table 8 of the approved MYA format in lieu of AIPs for: refrigerant management plans (RMPs), terminal phase-out management plans (TPMPs), national phase-out plans (NPPs) and methyl bromide (MB), and in the event that the PCR is not completed, a verification report could be submitted as soon as it is completed in the context of a status report if the verification report is completed for the first or third meeting of the Executive Committee, or the APF; and

- (v) UNEP to present its detailed annual progress report for the Compliance Assistance Programme (CAP) activities to the third meeting of the year in the context of the annual CAP approval and identify any project implementation impediments for the CAP project in the AFP.

8. Options for an administrative cost regime for the 2012-2014 triennium (decision 65/18)

Document UNEP/OzL.Pro/ExCom/66/19 provides the Secretariat's analysis and observations on the options for an administrative cost regime for the 2012-2014 triennium, taking into account the input provided by the implementing agencies, and including options that were discussed during the 65th meeting.

Issues to be addressed:

- Options for administrative cost regime for 2012-2014;
- Agency fees for projects above US \$5,000,001;
- Core unit costs growth rate;
- Agency fees for the production sector;
- Any change to the existing administrative cost regime for UNEP; and
- Terms of reference for the assessment of the administrative cost regime for the 2015-2017 triennium.

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

- (a) To note the information on the assessment of options for an administrative cost regime for the 2012-2014 triennium as contained in document UNEP/OzL.Pro/ExCom/66/19;
- (b) To consider any change to the existing administrative cost regime for UNDP, UNIDO and the World Bank for the 2012-2014 triennium in light of decision 64/6(c)(iii)b. and the Secretariat's analysis and observations on the options considered above, in particular with respect to:
- (i) A minimum fee of 7 per cent for projects above US \$5,000,001;
 - (ii) Allowing core unit costs to grow:
 - a. At a rate of up to 0.7 per cent per year;
 - b. At an inflation rate defined annually or biennially at the Fund level by benchmarking an internationally-recognized norm;
 - (iii) Agency fees for the production sector on a case-by-case basis;
- (c) To consider any change to the existing administrative cost regime for UNEP; and
- (d) To request the Fund Secretariat, with input from interested Members of the Executive Committee, to propose the terms of reference for the assessment of the administrative cost regime for the 2015-2017 triennium to the 68th meeting of the Executive Committee.

9. Project proposals

(a) Overview of issues identified during project review

Document [UNEP/OzL.Pro/ExCom/66/20](#) contains four sections: an analysis of the number of projects submitted by bilateral and implementing agencies to the 66th meeting; issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration.

Issues to be addressed:

- ODS disposal demonstration projects not submitted to the 66th meeting; and
- Submission of tranches for stage I of HPMPs for blanket approval.

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 decide 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.

ODS disposal demonstration projects not submitted to the 66th meeting

The Executive Committee may wish to consider:

- (a) Whether or not decision 64/17 applies to those projects for low-volume-consuming (LVC) countries where project preparation funding had already been approved at previous meetings; and
- (b) Whether or not project preparation requests for pilot ODS disposal projects for LVCs submitted to the 66th meeting but subsequently deferred due to inconsistencies with decision 58/19 may be considered for submission to the 67th meeting only.

Submission of tranches for stage I of HPMPs for blanket approval

The Executive Committee may wish to consider whether it would like to continue to discuss each request individually or, alternatively, whether the Secretariat should be requested to submit all future tranches of stage I of HCFC phase-out management plans for blanket approval provided they are in accordance with relevant policies and decisions of the Multilateral Fund, given that they contain no policy issues, and that all technical and cost issues have been agreed between the Secretariat and relevant bilateral and/or implementing agencies.

(b) Bilateral cooperation

Documents [UNEP/OzL.Pro/ExCom/66/21](#) and [Add.1](#) provide 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 2012. One project is fully addressed

in the document and was recommended for blanket approval under agenda item 9(a), and three are addressed under the respective country project proposal documents.

Issues to be addressed:

- Bilateral amount submitted for a new MYA project by Germany to the 66th meeting exceeds Germany's allocation for the 2012-2014 triennium if all its commitments to MYAs are submitted as planned.

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

- (a) To consider whether new activities can be approved for Germany in the light of existing commitments for future multi-year agreement tranches that exceed its 20 per cent allocation for bilateral activities for the 2012-2014 triennium;
- (b) To request the Treasurer to offset the costs of the bilateral projects approved at the 66th meeting as follows:
 - (i) [US \$XXX] (including agency fees) against the balance of the France's bilateral contribution for 2012;
 - (ii) [US \$XXX] (including agency fees) against the balance of Germany's bilateral contribution for 2012; and
 - (iii) [US \$XXX] (including agency fees) against the balance of Spain's bilateral contribution for 2012.

(c) Work programmes

(i) 2012 work programme of UNDP

Document [UNEP/OzL.Pro/ExCom/66/22](#) contains two institutional strengthening renewal requests submitted by UNDP. These IS requests were recommended for blanket approval and were considered under agenda item 9(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(ii) 2012 work programme of UNEP

Document [UNEP/OzL.Pro/ExCom/66/23](#) contains 10 activities submitted by UNEP, including requests for nine institutional strengthening renewal projects, and one request for technical assistance. Eight activities were recommended for blanket approval and were considered under agenda item 9(a). Two are for individual consideration and are described in this work programme.

Issues to be addressed:

- Request for approval of two phases (four years) of the institutional strengthening project for the Democratic People's Republic of Korea following the results of the discussion under agenda item 7(c); and

- Budget and completion date of the request for the development of a Guide for Sustainable Refrigerated Facilities and Systems.

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

- (a) Following the results of the discussion under agenda item 7(c), the request of the Democratic People's Republic of Korea to provide, on an exceptional basis, institutional strengthening funding to be calculated from January 2010 to December 2013, at the level of funding of US \$260,000; and
- (b) Whether or not to approve the request for the development of a Guide for Sustainable Refrigerated Facilities and Systems in collaboration with American Society of Heating, Refrigeration and Air Conditioning Engineers at the level of US \$250,000 plus agency support costs of US \$32,500 for UNEP.

(iii) 2012 work programme of UNIDO

Document UNEP/OzL.Pro/ExCom/66/24 contains one project preparation request for ODS destruction activities submitted by UNIDO to be considered for approval individually.

Issues to be addressed:

- Compliance with the guidelines in the Executive Committee's decision 58/19, and with Meeting of the Parties' decision XXI/2.

Action expected from the Executive Committee: The Executive Committee may wish to consider whether or not to approve the request for project preparation for the development of a strategy for disposal and destruction of ozone depleting substances for six low-volume-consuming countries in the African region at the level of funding of US \$100,000 plus agency support costs of US \$7,500 for UNIDO, in line with decision 58/19.

(iv) 2012 work programme of the World Bank

Document UNEP/OzL.Pro/ExCom/66/25 contains an institutional strengthening renewal request submitted by the World Bank. This request was recommended for blanket approval and was considered under agenda item 9(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(d) Investment projects

Document UNEP/OzL.Pro/ExCom/66/20 contains a list of projects for individual consideration (see Table 1). One tranche of a national phase-out plan for methyl bromide and a request for the balance of the first tranche of an HPMP were recommended for blanket approval and were considered under agenda item 9(a).

Issues to be addressed: In the table 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 table.

Table 1. List of projects for individual consideration

Country	Project	Agency	ExCom	Issue
CFC production				
India	Accelerated CFC production phase-out (second tranche)	World Bank	66/38	Report on verifications on customs records; no confirmation on the destruction of non-pharma-grade CFC
ODS disposal				
Colombia	Pilot demonstration project on ODS waste management and disposal	UNDP	66/33	All issues have been satisfactorily addressed
Turkey	Pilot demonstration project on ODS waste management and disposal	UNIDO	66/48	All issues have been satisfactorily addressed
Second tranches of HPMPs				
Armenia	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNEP	66/29	All issues have been satisfactorily addressed
Colombia	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNEP	66/33	All issues have been satisfactorily addressed
Croatia	HCFC phase-out management plan (stage I, second, third and fourth tranches)	UNIDO/Italy	66/35	Request for approval of three funding tranches. Use of funding from a cancelled project for HPMP activities
Nigeria	HCFC phase-out management plan (stage I, second tranche)	UNDP/UNIDO	66/45	All issues have been satisfactorily addressed
HPMPs for LVC countries				
Antigua and Barbuda	HCFC phase-out management plan (stage I, first tranche)	UNEP	66/27	All issues have been satisfactorily addressed
Bosnia and Herzegovina	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/30	All issues have been satisfactorily addressed
Brunei Darussalam	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNDP	66/31	All issues have been satisfactorily addressed
Djibouti	HCFC phase-out management plan (stage I, first tranche)	UNEP	66/36	All issues have been satisfactorily addressed
Mozambique	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/42	All issues have been satisfactorily addressed
Nicaragua	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/43	All issues have been satisfactorily addressed
Niger	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/44	All issues have been satisfactorily addressed
HPMPs/sector plan for non-LVC countries				
Algeria	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/26	Lower HCFC baseline under Article 7 as compared to that in the HPMP. Reduction above 10 per cent of baseline
Argentina	HCFC phase-out management plan (stage I, first tranche)	UNIDO/World Bank/Italy	66/28	Request for changing the starting point from 2008 to HCFC baseline. Reduction above 10 per cent of baseline
Cote d'Ivoire	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/34	Former LVC country (decision 62/11)
Guinea	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/37	Former LVC country (decision 62/11)
India	HCFC phase-out management plan (stage I, first tranche)	UNDP/UNEP/Germany	66/38	Reduction above 10 per cent of baseline
Kenya	HCFC phase-out management plan (stage I, first tranche)	France	66/39	Reduction above 10 per cent of baseline
Kuwait	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	66/40	Reduction above 10 per cent of baseline
Sudan	HCFC phase-out management plan (stage I, first tranche)	UNIDO	66/46	Reduction above 10 per cent of baseline
Thailand	HCFC phase-out management plan (stage I, first tranche)	World Bank	66/47	Reduction above 10 per cent of baseline

Action expected from the Executive Committee: The Executive Committee may wish to consider whether to approve each of the projects listed in the table above on the basis of the discussions held under agenda item 9(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.

10. Provision of information on second-stage conversions:

(a) Information on previous conversions funded by the Multilateral Fund, including conditions under which agreements were signed with Article 5 countries on the phase-out of CFCs

Document UNEP/OzL.Pro/ExCom/66/49 is prepared in response to decision 65/12(a). It contains four sections: conditions of approval of CFC phase-out projects based on HCFC technology; eligibility for funding conversions of new production lines in second-stage conversion enterprises; funding second-stage conversion projects to phase out HCFC-141b contained in imported pre-blended polyols; and recommendations.

Issues to be addressed:

- Funding eligibility for converting new production lines in second-stage conversion enterprises; and
- Funding eligibility for the second-stage conversion projects to phase-out HCFC-141b contained in imported pre-blended polyols.

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

- (a) To note document UNEP/OzL.Pro/ExCom/66/49 containing information on previous conversions funded by the Multilateral Fund, describing the conditions under which agreements were signed with Article 5 countries for the phase-out of CFCs;
 - (b) To consider that conversions of new HCFC production lines in second-stage conversion enterprises that were established after the enterprises were converted to a non-CFC alternative are entitled to full funding of eligible incremental costs provided that the new lines were established prior to the cut-off date of 21 September 2007, and on the understanding that the cost of replacement or retrofit of any equipment item installed after the cut-off date will not be eligible for funding; and
 - (c) To consider full funding of eligible incremental cost for second-stage conversion projects to phase-out HCFC-141b contained in imported polyols on a case-by-case basis on the understanding that the governments concerned agree to make commitments to ban imports of HCFC-141b, both in bulk and in pre-blended polyols, immediately after all eligible enterprises have been converted and are no longer using HCFC-141b as a foam blowing agent.
- (b) Options for a tracking system for HCFC-141b-based pre-blended polyols exported by systems houses and used by foam enterprises in importing Article 5 countries**

Document UNEP/OzL.Pro/ExCom/66/50 is prepared in response to decision 65/12(b). It contains four sections: background on pre-blended polyols; overview on import and export of HCFC-141b-based pre-blended polyols; discussion; and recommendations.

Issues to be addressed:

- Potential double counting relating to export and import of HCFC-141b contained in pre-blended polyols.

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

- To note document UNEP/OzL.Pro/ExCom/66/50 containing information on options for a tracking system to correlate, by country, the amounts of HCFC-141b-based pre-blended polyols exported by systems houses, with the amounts used by foam enterprises in importing Article 5 countries that had been approved for phase-out, which could be updated on a periodic basis;
- To consider discounting from a country's starting point for aggregate reductions in HCFC consumption the amount or average amount of HCFC-141b contained in pre-blended polyols exported for the year or years on which the starting point has been based;
- To request bilateral and implementing agencies, in collaboration with the Governments of Chile, China and Colombia to provide the Secretariat with the amounts of HCFC-141b in pre-blended polyols that were exported in 2009 and 2010;
- To request the Secretariat to update the information on the amounts of exports and imports of HCFC-141b contained in pre-blended polyols specified in Table 1 and Annex I, respectively, of document UNEP/OzL.Pro/ExCom/66/50; based on information requested under sub-paragraph (c) above and on additional or updated information reported in the context of HCFC phase-out management plans to be submitted to the 67th meeting, and to report back to the Executive Committee at its 67th Meeting; and
- To consider when to deduct the amounts of HCFC-141b exported in pre-blended polyols from the starting points for aggregate reductions in HCFC consumption of the countries concerned.

11. Incremental costs related to retooling for manufacturing heat exchangers (decisions 61/45 and 62/61)

Document UNEP/OzL.Pro/ExCom/66/51 is a re-issuance of a document submitted to the 65th Meeting, which was prepared by the Secretariat pursuant to decision 62/61. The document incorporates views from experts, implementing agencies and members of the Executive Committee on the issue. A new attachment containing technical comments from by the World Bank is included in the current document.

Issues to be addressed:

- Eligibility of cost for past and future conversions in the manufacture of heat exchangers to HFC-410A.

Action expected from the Executive Committee: Based on the reported discussions, the content of document UNEP/OzL.Pro/ExCom/62/55 included as Annex I to document UNEP/OzL.Pro/ExCom/66/51, and the information provided in the study contained in Attachment I of the document, the Executive Committee may wish to consider:

- That in cases where the conversion of a manufacturer of air conditioning products to an alternative technology with substantially higher working pressure is undertaken, and

where this manufacturer has its own heat exchanger manufacturing facility, expenditures related to dynamic testing of heat exchangers are to be part of the conversion cost in order to ensure that they are sufficiently pressure resistant;

- (b) Requesting the Secretariat to use, for those cases, the technical information provided in document UNEP/OzL.Pro/ExCom/66/51 and the related technical study, as well as any other relevant information available to determine the extent to which these costs are eligible and incremental;
- (c) Approving, for the project “Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co.” (Jordan), additional funding of US \$126,500 plus agency support costs for UNIDO of US \$9,488 to cover the costs associated with changes in the heat exchanger production and testing, in line with decision 60/41; and
- (d) Approving, for the stage I of the HPMP for Indonesia (air conditioning sector plan), additional funding of US \$52,800 plus agency support costs for UNDP of US \$3,960 to cover the costs associated with changes in the heat exchanger production and testing, in line with decision 64/42, and to request the Secretariat to update the Agreement with Indonesia accordingly when introducing any changes related to the determination of the baseline consumption for Indonesia.

12. Report on the Multilateral Fund Climate Impact Indicator (decisions 59/45, 62/62, 63/62, 64/51 and 65/48)

Document UNEP/OzL.Pro/ExCom/66/52 is submitted by the Secretariat pursuant to decision 65/48 whereby the Committee, after noting the report submitted to the 65th meeting, decided to continue discussions on the Multilateral Fund Climate Impact Indicator (MCII) at its 66th meeting, based on interessional discussions. In light of the decisions taken at the 63rd, 64th and 65th meetings, and to enable the Committee to give greater consideration to the issue, the Secretariat has not developed document UNEP/OzL.Pro/ExCom/63/58 any further. At the time of issuing the current document, the Forum set up for intersessional discussion included comments by one member and two implementing agencies.

Issues to be addressed: None.

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

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII);
- (b) To request the Secretariat to finalize the development of the MCII for the different sectors as outlined in document UNEP/OzL.Pro/ExCom/66/52 and in the light of any comments received;
- (c) To 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 69th meeting;
- (d) To 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) To request the Secretariat to present a fully developed version of the MCII to the Executive Committee available not later than the 68th 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.

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

Document UNEP/OzL.Pro/ExCom/66/53 will be issued during the 66th 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 paper on the implementation of decision 60/47 on the verification report on China's 2010 CFC production, a paper on modifications of China's CFC production sector phase-out plan to allow production and export of CFCs for essential uses for 2012, and a draft decision for the HCFC Production Sector guidelines. The report will also provide a brief summary on the technical audit of the HCFC production sector in China, which will be presented by the Consultant during the meeting of the Production Sector Sub-group (documents UNEP/OzL.Pro/ExCom/66/SGP/1-5).

14. Other matters

The substantive issues agreed for inclusion on agenda item 2(a) will be taken up under this agenda item.

15. Adoption of the report

The Committee will have in front of it the draft report of the 66th meeting for its consideration and adoption.

16. Closure of the meeting

The meeting is expected to be closed on Friday, 20 April 2012.
