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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-eighth Meeting
Montreal, 3-7 December 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/68/1 contains the provisional agenda for the 68th meeting of the Executive Committee.

Issues to be addressed: None.

Action expected from the Executive Committee: The Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/68/1 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/68/2 presents a report on the activities of the Secretariat since the 67th meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 67th meeting, the preparations for the 68th 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.

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/68/3 provides information on the status of the Fund as recorded at UNEP as of 29 October 2012. At that date, the Fund balance stood at US \$41,773,097. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 67th meeting.

Issues to be addressed: None.

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

- (a) To note:
 - (i) 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/68/3;
 - (ii) The list of Parties (as contained in Annex I to this report) that had opted to use the Fixed Exchange Rate Mechanism in making their contributions to the Fund during the replenishment period 2012 – 2014; and
- (b) 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/68/4 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 68th meeting of the Executive Committee.

Issues to be addressed:

- Outstanding balances for projects completed in 2007 and 2008.

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

- (a) To note:
 - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/68/4;
 - (ii) That the net level of funds being returned by the implementing agencies to the 68th meeting was US \$309,652 against projects, which included the return of US \$212,468 from UNDP and US \$97,184 from UNIDO;

- (iii) That the net level of support costs being returned by the implementing agencies to the 68th meeting was US \$417,111 against projects, which included the return of US \$18,328 from UNDP, US \$810 from UNEP, US \$7,288 from UNIDO, and US \$390,685 from the World Bank;
 - (iv) That implementing agencies had balances totalling US \$720,381, excluding support costs, from projects completed over two years previously, which included US \$145,202 for UNDP, US \$130,669 for UNEP and US \$444,511 for UNIDO;
 - (v) That the Government of France had balances totalling US \$14,012, including support costs, for one project completed over two years previously;
 - (vi) That the net level of funds and support costs being returned by the bilateral agencies to the 68th Meeting was US \$148,286, which included the return of US \$146,869 from the Government of France and US \$1,417 from the Government of Italy; and to request the Treasurer to follow-up with the Governments on the cash transfer of those amounts;
 - (vii) The Government of Spain's return of accrued interest of US \$157,755 for the projects BRA/FUM/46/INV/272 and MEX/FUM/42/TAS/118 directly to the Treasurer as additional income to the Fund;
- (b) To request implementing agencies with projects completed in 2007 and 2008 to return the balances as soon as possible; and
 - (c) To approve additional US \$57,579 in support cost to UNEP for the national CFC phase-out plan for the Philippines (PHI/PHA/66/INV/94), in accordance with decision 66/2(a)(iv).
- (b) 2012-2014 business plans and annual tranche submission delays**

Documents UNEP/OzL.Pro/ExCom/68/5 and Add.1 addresses decisions taken at the 66th and 67th meetings with respect to the 2012-2014 business plans, and presents the value of activities that were not submitted to the 68th meeting according to the categories required for compliance and those not required for compliance, and addresses requirements for the 2013-2015 triennium. It also assesses the forward commitments approved to date as well as those submitted for approval to the 68th meeting in an addendum, and concludes with observations and recommendations. This document also includes information on submission delays, namely the submission of tranches that were due at the 68th meeting, and the results on dialogues between implementing agencies and countries on the 2011 business plan qualitative performance evaluation, and presents observations and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Projects approved at the 66th and 67th meetings exceed their levels in the 2012-2014 business plans by US \$8,994,212;
- If projects submitted to the 68th meeting are approved as submitted the Executive Committee, the level of commitments would exceed the allocations in the 2012-2014 business plans for the year 2012 by US \$64,724,739 and the 2012-2014 triennium by US \$129,719,705;
- Guidance for the 2013-2015 business plans related to the US \$6,973,028 in activities that were not submitted as planned in the 2012 business plan, assumptions with respect to

- allocations for standard activities, commitments for 2015, the funding allocation for 2015 for planning purposes, and adjustments for allocation levels for new activities;
- Three of the 26 tranches due for submission to the 68th meeting were not submitted as planned; and
 - The need for a further report from UNEP on outstanding issues raised by Haiti in its qualitative performance assessment of UNEP.

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

- (a) Noting:
- (i) The report on the status of the 2012-2014 business plans and tranche submission delays as contained in document UNEP/OzL.Pro/ExCom/68/5;
 - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP and UNEP;
 - (iii) That 23 out of 26 tranches of multi-year agreements (MYAs) due for submission had been submitted on time to the 68th meeting;
 - (iv) The reports provided by UNEP and the World Bank on their dialogues with countries on the 2011 business plan's qualitative performance evaluations;
- (b) Requesting:
- (i) UNEP to report to the 69th meeting on the actions it has taken for projects in Haiti to improve training components and fund transfer and to provide sufficient technical advice for technology decision-making;
 - (ii) The bilateral and implementing agencies to address those activities not submitted in 2012 as planned as contained in Annexes I and II to document UNEP/OzL.Pro/ExCom/68/5 in their 2013-2015 business plans;
 - (iii) The Secretariat:
 - a. Through its coordination meeting with bilateral and implementing agencies to adjust all new activities in the 2013-2015 business plans for 2013 and 2014 to the budget allocation for the 2012-2014 triennium and for up to an allocation of US \$150 million for all activities in 2015, for planning purposes;
 - b. To send a letter to the Governments of Angola and Chile to urge the submission of the second tranche of their HCFC phase-out management plan (HPMP) to the 69th meeting; and
 - (iv) The Secretariat and bilateral and implementing agencies to take into account the planned commitments and standard activities in business planning for new activities in 2015 assuming continued Compliance Assistance Programme (CAP), institutional strengthening, core unit and project preparation for HPMPs at current rates with growth as allowed by existing decisions, for planning purposes.

(c) Status reports and compliance

Documents UNEP/OzL.Pro/ExCom/68/6 and Add.1 contain seven parts. Part I addresses the implementation of decisions 32/76(b), 46/4 and 67/6(c), which requested the Secretariat to prepare an update for each meeting of the Executive Committee on the status of compliance of Article 5 countries that are subject to the Montreal Protocol's control measures and as a guide for business planning for HCFC compliance. 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 (CP), including an analysis of the ozone-depleting substances (ODS) consumption data by sector and a section that addresses the characteristics of national ODS phase-out programmes. Part IV addresses those projects with implementation delays and those for which additional status reports are needed. Part V addresses reports on resource mobilisation activities. Part VI presents verification reports and methyl bromide project progress reports. Part VII presents UNEP progress report on the implementation of decision 66/15 on the proposed alternative methods of disbursement, organizational structures and monitoring procedures for the institutional strengthening (IS) project for the Democratic People's Republic of Korea.

Issues to be addressed:

- Any comments on the following observations:
 - All Article 5 countries have received HCFC phase-out management plan (HPMP) preparation except South Sudan for which a project was submitted to the 68th meeting;
 - All but six countries have approved HPMPs or HPMPs that were submitted to 68th meeting;
 - HPMP funding to-date will result in the phase-out of 24 per cent of the HCFC consumption baseline;
 - 73 Article 5 countries' 2011 HCFC consumption was below their baseline levels;
 - Of the 10 compliance-related issues in 2011, all but one have been resolved;
 - Information on price data is based mostly on an average of prices observed during the year mainly from retailers and suppliers;
 - For the 137 countries reporting 2010 and 2011 data, HCFC consumption increased by 3 per cent;
- The need for:
 - Letters of possible cancellation and additional status reports;
 - A report on resource mobilization from UNEP and comments on the interim report of the World Bank on its plans for resource mobilization;
 - A project completion report for the process agent sector plan in China;
- Approving part of the remaining funds for the CFC consumption project in Nigeria for a publication and the return of the remaining unused balances to the Fund;
- Authorizing the disbursement of part of the fifth tranche of the methyl bromide project in Costa Rica; and requesting a project completion report soon after its completion;
- Considering the proposed alternative methods of disbursement for and need for a transfer of the IS project in the Democratic People's Republic of Korea.

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 Germany and Spain addressed in UNEP/OzL.Pro/ExCom/68/6;

- (ii) That 65 country programme (CP) implementation reports for the year 2011 were submitted through the web-based system, which was initiated on 25 April 2007;
 - (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments and report to and notify governments and implementing agencies as required;
- (b) Requesting:
- (i) The implementing agencies to consider the need for additional methyl bromide projects in the following countries that have partial methyl bromide phase-out projects or are exempt from compliance per decision XV/12: Algeria, Argentina, China, Congo (the), Democratic Republic of the Congo (the), Nigeria, Sudan (the), Swaziland, Tunisia and Turkey;
 - (ii) The implementing agencies to include stage I of the HCFC phase-out management plans (HPMPs) in the 2013-2015 business plans for the following countries that have not yet submitted their HPMPs: Barbados, Botswana, Libya, Mauritania, South Sudan and Tunisia;
 - (iii) The Governments of Indonesia, Kenya, Mozambique, Panama, Papua New Guinea and Timor-Leste to report to the Secretariat, as a matter of urgency, on whether their licensing systems are functioning 'satisfactorily', 'very well' or 'not so well';
 - (iv) The Secretariat to include information about Freight on Board (FOB) prices of each ODS and substitute in the revised CP format mandated by decision 63/4(b)(ii);
 - (v) That letters of possible cancellation be sent in respect of the following projects:

Agency	Code	Project Title
UNDP	PAK/ARS/56/INV/71	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs
UNEP	GLO/REF/48/TAS/275	Global technical assistance programme in the chiller sector
UNIDO	SYR/FUM/49/TAS/95	Methyl bromide national phase-out plan (soil fumigation)

- (vi) Additional status reports on the projects listed in Annexes VII and VIII to document UNEP/OzL.Pro/ExCom/68/6;
- (vii) The Governments of the Czech Republic, France, Israel, Italy and Japan to provide their implementation delays reports to the 69th meeting of the Executive Committee;
- (viii) The submission to the 69th meeting of additional specific status reports on the remaining five projects with specific reporting requirements (BRA/PHA/50/INV/278, BRA/PHA/53/INV/280, BRA/PHA/56/INV/284, BRA/PHA/59/INV/293 and COL/FOA/60/DEM/75) as shown in Annex IX.

- (c) With respect to resource mobilization for climate co-benefits:
 - (i) Urging UNEP to submit a final report of this project by the 69th meeting, or return the funds approved for this project if no progress had been made by then;
 - (ii) Noting the interim report on the resource mobilization for climate co-benefits submitted by the World Bank and urge the World Bank to submit a final report of the study by the 69th meeting;
- (d) With respect to the verification report in China: “Process agent sector plan (phase II): status of CTC phase-out in PAII process agent applications”, requesting the World Bank, on behalf of the Government of China, to submit a project completion report for the process agent sector plan – phase II accompanied by a revised 2010 verification report for the sector as well as on CTC production and consumption, in line with decision 65/10(i), not later than the 70th meeting of the Executive Committee;
- (e) With respect to the verification report in Nigeria: “Progress report on final implementation (2010-2012) and consumption verification report for 2009 and 2010”:
 - (i) Noting the verification report for CFC consumption in Nigeria for 2009 and 2010;
 - (ii) Noting the submission of a report on the implementation of the national CFC phase-out plan for Nigeria from 2010 to 2012;
 - (iii) Approving the use of part of the remaining funds for a publication and return of the balance to the Multilateral Fund, as proposed in the submission;
- (f) With respect to the verification report in Tunisia: “National ODS phase-out plan (2010 verification report on the consumptions of CFCs and halons)”, noting the verification report for CFCs and halons consumption in Tunisia for 2010;
- (g) With respect to the methyl bromide project in Costa Rica:
 - (i) Noting the 2011 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) Authorizing the disbursement of US \$297,300 by UNDP to Costa Rica as part of the fifth tranche of the project;
 - (iii) Requesting UNDP to submit the project completion report to the Executive Committee soon after completion of the fifth tranche of the project;
- (h) With respect to UNEP’s progress report on the implementation of the Executive Committee decision 66/15 in the Democratic People’s Republic of Korea:
 - (i) Noting the progress report, submitted by UNEP, on the implementation of the Executive Committee's decision 66/15 on the institutional strengthening project for the Democratic People's Republic of Korea; and
 - (ii) Considering whether in view of the limitations expressed by UNEP, the proposed alternative methods of disbursement, organizational structures and monitoring

procedures respond to the concerns expressed by the Executive Committee at its 66th meeting; or

- (iii) Considering whether to transfer the institutional strengthening project to another implementing agency where acceptable methods of disbursement for similar situations are already in place.

6. Programme implementation: Monitoring and evaluation

(a) 2012 consolidated project completion report

Document UNEP/OzL.Pro/ExCom/68/7 provides an overview of the results reported in the project completion reports (PCRs) received since the 65th meeting pursuant to decisions 23/8(i) and 26/11 that requested the Senior Monitoring and Evaluation Officer to present a consolidated PCR, after consultation with the implementing agencies, at the third meeting of the year.

Issues to be addressed: None.

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

- (a) Taking note of the 2012 consolidated project completion report including the schedule for submission of project completion reports (PCRs) due and the lessons learned in Annex II to document UNEP/OzL.Pro/ExCom/68/7;
- (b) Requesting bilateral agencies and implementing agencies concerned:
 - (i) To establish by the end of January 2013, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs in the inventory and in the annual progress reports;
 - (ii) To provide, by the end of January 2013, the information still missing in a number of PCRs;
 - (iii) To clear by the end of January 2013 the backlog of PCRs on projects completed before the end of 2006; and
- (c) Inviting all those involved in the preparation and implementation of projects to take into consideration the lessons learned drawn from PCRs when preparing and implementing future projects.

(b) 2012 consolidated multi-year agreement project completion report

Document UNEP/OzL.Pro/ExCom/68/8: Decision 62/6(c) requested the Senior Monitoring and Evaluation Officer to develop a completion report format for completed multi-year projects. At the 65th meeting the Committee took note of the format (decision 65/6) which, subsequently, was developed into an electronic form to facilitate the preparation of the consolidated report. It is not possible, however, to submit a consolidated report to this meeting since only one submission has been received to date.

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/68/8 and request the

bilateral and implementing agencies to submit the multi-year agreement project completion reports to the second annual meeting of the Executive Committee.

(c) Multi-year agreement database for HCFC phase-out management plans (decision 63/61(e))

Document UNEP/OzL.Pro/ExCom/68/9 reports on the progress of development and use of the database for the annual reporting on multi-year agreements (MYA). This is in accordance with decision 63/61(e), which requested the Senior Monitoring and Evaluation Officer to inform the Executive Committee at the last meeting of each year on the status of the information contained in the MYA database for HPMPs.

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 multi-year agreement database for HCFC phase-out management plans presented in document UNEP/OzL.Pro/ExCom/68/9; and
- (b) To request agencies to fill in the missing information and to update the MYA database no later than eight weeks prior to the 69th meeting of the Executive Committee.

(d) Desk study on the evaluation of chiller projects

Documents UNEP/OzL.Pro/ExCom/68/10 and Add.1 analyze the efficacy of eight chiller demonstration projects. A key purpose of the desk study is to improve understanding about progress made as well as the barriers, impediments and delays encountered and overcome in project implementation. The study builds on and updates the findings of a previous 2009 evaluation.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in the desk study on the evaluation of chiller projects as presented in document UNEP/OzL.Pro/ExCom/68/10.

(e) Evaluation of methyl bromide projects

Document UNEP/OzL.Pro/ExCom/68/11 presents the final phase of the evaluation of methyl bromide (MB) projects in Africa. Four key consumption sectors were covered: cut flowers, horticulture, tobacco and stored grain. Seven case studies including an individual assessment of risks of returning to MB were prepared as well as an overall assessment of sustainability of using MB alternatives.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in the final evaluation of methyl bromide projects as presented in document UNEP/OzL.Pro/ExCom/68/11.

(f) Draft Monitoring and Evaluation work programme for the year 2013

Document UNEP/OzL.Pro/ExCom/68/12 contains the draft monitoring and evaluation work programme for the year 2013. It presents a proposal for the evaluation studies to be conducted as well as the general methodological approach, and the budget required for the 2013 work programme.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to consider approving the proposed 2013 monitoring and evaluation work programme at a budget of US \$176,000 as shown in Table 2 of document UNEP/OzL.Pro/ExCom/68/12.

7. Assessment of the administrative cost regime for the 2015-2017 triennium (decision 66/17(e))

Document UNEP/OzL.Pro/ExCom/68/13 provides the Secretariat's observations on the possible need for terms of reference for the assessment of the administrative cost regime for the 2015-2017 triennium and how to modify the terms of reference in the light of the previous terms of reference. It addresses this issue by reviewing the history of administrative costs in the Multilateral Fund and their assessments, previous terms of reference, observations and recommendations.

Issues to be addressed:

- The need for agency fees for stage II of HPMPs; and
- Input on possible modalities and possible terms of reference.

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

- (a) To provide its views on the contents of terms of reference for an assessment of administrative costs for the 2015 to 2017 triennium; and
- (b) To request the Secretariat, in cooperation with the implementing agencies, to propose terms of reference, questions to be addressed, a methodology, milestones and costs, as applicable for the assessment mandated by decision 67/15(c) with proposals including but not limited to achieving the goals of decision 67/15(c) of the Executive Committee and decision VIII/4 of the Meeting of the Parties.

8. Project Proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/68/14 contains four sections: an analysis of the number of projects submitted by bilateral and implementing agencies to the 68th 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:

- Maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector.

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.

Maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector

The Executive Committee might wish to continue discussing the draft recommendation on maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector as contained in Annex I to document UNEP/OzL.Pro/ExCom/68/14.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/68/15 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 2012. One project is fully addressed in the document and is submitted for individual consideration, and the remaining six are addressed under the respective country project proposal document.

Issues to be addressed: None.

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

- (a) To consider whether to approve the technical assistance project to develop 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 \$13,000 for the Government of France, in line with decision 67/38;
- (b) To request the Treasurer to offset the costs of the bilateral projects approved at the 68th meeting as follows:
 - (i) US \$XX (including agency fees) against the balance of the France's bilateral contribution for 2012;
 - (ii) US \$XX (including agency fees) against the balance of Germany's bilateral contribution for 2012-2014; and
 - (iii) US \$XX (including agency fees) against the balance of Japan's bilateral contribution for 2012.

(c) Amendments to work programmes for 2012

(i) UNDP

Document UNEP/OzL.Pro/ExCom/68/16 contains six institutional strengthening (IS) renewal requests submitted by UNDP. These IS requests were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(ii) UNEP

Document UNEP/OzL.Pro/ExCom/68/17 contains 23 IS renewal and one IS start-up requests submitted by UNEP. Twenty-one requests were recommended for blanket approval and were considered under agenda item 8(a), and the remaining three are submitted for individual consideration.

Issues to be addressed:

- Lack of ODS regulations including the import and export licensing system in Botswana;
- For the IS renewal project for Democratic People's Republic of Korea, approval subject to the results of discussion under agenda item 5(c) regarding decision 66/15(k)(ii).

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

- (a) Funding phase IV of the institutional strengthening renewal request for Botswana covering the period January 2012 to December 2013, on the understanding that no funding will be disbursed until the ODS regulations including the import/export licensing system has been published in the Official Gazette and a confirmation is received from the Ozone Secretariat that the licensing system is in place in accordance with Article 4B, paragraph 4, of the Montreal Protocol;
- (b) Approving, on an exceptional basis, phase VI of the IS renewal project of the Democratic People's Republic of Korea covering the period January 2010 to December 2011, at the level of funding of US \$130,000; and phase VII of the IS renewal project covering the period January 2012 to December 2013, at the level of funding of US \$130,000; and
- (c) Approving the institutional strengthening start-up funds for South Sudan at the level of US \$40,000 as indicated in Table 1 of document UNEP/OzL.Pro/ExCom/68/17.

(iii) UNIDO

Document UNEP/OzL.Pro/ExCom/68/18 contains two IS renewal requests submitted by UNIDO. These IS requests were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(iv) World Bank

Document UNEP/OzL.Pro/ExCom/68/19 contains two IS renewal requests submitted by the World Bank. These IS requests were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(d) UNEP's Compliance Assistance Programme (CAP) budget for 2013

Document UNEP/OzL.Pro/ExCom/68/20 contains UNEP's Compliance Assistance Programme (CAP) for 2013. The submission includes the 2013 CAP narrative, budget, achievements in the current year and a list of special compliance assistance activities implemented using the CAP budget.

Issues to be addressed: None.

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

- (a) Approving the Compliance Assistance Programme (CAP) budget for 2013 at US \$9,158,000, plus agency support costs of 8 per cent amounting to US \$732,640 for UNEP, as contained in Annex I of document UNEP/OzL.Pro/ExCom/68/20;
- (b) Requesting UNEP, in future submissions of the CAP budget to:
 - (i) Continue to provide detailed information on the activities for which the global funds will be used;
 - (ii) Continue to extend the prioritisation of funding between CAP budget lines so as to accommodate changing priorities; and provide details on the reallocations made for its budget following decisions 47/24 and 50/26; and
 - (iii) Continue to report on the current staff post levels and inform the Executive Committee of any changes therein, particularly in respect of any increased budget allocations.

(e) 2013 core unit costs for UNDP, UNIDO and the World Bank

Document UNEP/OzL.Pro/ExCom/68/21 contains information on actual administrative costs for 2008-2011 and estimated costs for 2012, and their associated approved budgets. It also contains requests for proposed 2013 core unit costs.

Issues to be addressed:

- Requests for approval of core unit costs for UNDP and UNIDO with a 0.7 per cent increase over the 2012 budget, and the World Bank with a 0.02 per cent increase over the 2012 budget, in line with decision 67/15.

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

- (a) Noting the report on 2013 core unit costs for UNDP, UNIDO and the World Bank as presented in document UNEP/OzL.Pro/ExCom/68/21; and

- (b) Whether to approve the requested core unit budgets for UNDP for \$1,998,453, UNIDO for \$1,998,453, and the World Bank for US \$1,725,000.

(f) Investment projects

Document [UNEP/OzL.Pro/ExCom/68/14](#) contains a list of projects for individual consideration (see Table 1). Four tranches (two for methyl bromide phase-out plans and two for HCFC phase-out management plans) were recommended for blanket approval and were considered under agenda item 8(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
Non-funding requested				
India	CTC phase-out plan for the consumption and production sectors: 2011 verification report and work plan covering the funds remaining	World Bank	68/31	Work plan for CTC phase-out plan
Philippines	National CFC phase-out plan: work programme for 2013-2015	UNEP	68/37	Work plan for CFC activities
Second tranches of HPMPs				
Brazil	HCFC phase-out management plan (phase I, second tranche)	UNDP/Germany	68/23	All issues have been satisfactorily addressed
China	HCFC phase-out management plan (phase I, second tranche) five sector plans	UNDP/UNEP/UNIDO/World Bank/Japan/Germany	68/24	Issues related to fund disbursement
Cuba	HCFC phase-out management plan (phase I, advanced approval of second tranche)	UNDP	68/25	Request for an advance of funding associated with the second tranche
Egypt	HCFC phase-out management plan (phase I, second tranche)	UNDP/UNIDO	68/27	All issues have been satisfactorily addressed
Guatemala	HCFC phase-out management plan (phase I, second tranche)	UNIDO/UNEP	68/29	Amending the funding schedule of the second and third tranches
Islamic Republic of Iran	HCFC phase-out management plan (phase I, second tranche)	UNDP/UNIDO/Germany	68/32	All issues have been satisfactorily addressed
Saint Lucia	HCFC phase-out management plan (phase I, second tranche)	UNEP/UNIDO	68/38	Potential change of HCFC baseline in 2013
HPMPs for LVC countries				
Ethiopia	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/28	All issues have been satisfactorily addressed
Haiti	HCFC phase-out management plan (stage I, first tranche)	UNDP/UNEP	68/30	Change of baseline request awaiting decision by the 24th meeting of the Parties
Myanmar	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/35	All issues have been satisfactorily addressed
Uganda	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/43	All issues have been satisfactorily addressed
HPMPs/sector plan for non-LVC countries				
Bahrain	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/22	Reduction above 10 per cent of baseline

Country	Project	Agency	ExCom	Issue
Democratic People's Republic of Korea	HCFC phase-out management plan (stage I, first tranche)	UNIDO/UNEP	68/26	Disbursement, organizational structures and monitoring procedures. UN Security Council Resolutions. Reduction beyond 10 per cent of baseline.
Peru	HCFC phase-out management plan (stage I, first tranche)	UNDP/UNEP	68/36	Reduction beyond 10 per cent of baseline. No confirmation has been received from the Government on licensing/quota systems (decision 63/17)
Philippines	HCFC phase-out management plan (stage I, first tranche)	UNEP	68/37	All issues have been satisfactorily addressed
Saudi Arabia	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/39	Reduction above 10 per cent of baseline
Syrian Arab Republic	HCFC phase-out management plan (stage I, no tranche request)	UNEP/UNIDO	68/40	Implementation of activities under the circumstances prevailing in the country
Thailand	HCFC phase-out management plan (stage I, first tranche)	World Bank/Japan	68/41	Reduction above 10 per cent of baseline
Turkey	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/42	Reduction above 10 per cent of baseline
Yemen	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	68/45	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 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 bilateral/implementing agency.

9. 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 (decision 66/51(d) and (e))

Document UNEP/OzL.Pro/ExCom/68/46 is prepared by the Secretariat in response to decision 66/51 and contains updated information on the amounts of exports and imports of HCFC-141b contained in pre-blended polyols by Article 5 countries.

Issues to be addressed:

- When to discount from the starting point for aggregate reductions in HCFC consumption the exported amount of HCFC-141 in pre-blended polyols.

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

- (a) Noting document UNEP/OzL.Pro/ExCom/68/46 containing information on the amounts of HCFC-141b-based pre-blended polyols exported by Article 5 countries;
- (b) Discounting, at the time Stage II of the country's HPMPs is submitted, the following amounts of HCFC-141b exported in pre-blended polyols from the starting point for aggregate reductions in HCFC consumption: 4.73 ODP tonnes for Brazil; 7.37 ODP

tonnes for Chile; 137.83 ODP tonnes for China; 12.30 ODP tonnes for Colombia and 28.60 ODP tonnes for Mexico; and

- (c) Encouraging relevant Article 5 countries to consider establishing a national system for recording the amounts of HCFC-141b contained in pre-blended polyols that are imported and/or exported (where applicable) to support the ban on imports of pure HCFC-141b or that contained in pre-blended polyols that will be issued once all the foam enterprises had been converted, and facilitate the monitoring of the these enterprises to sustain the phase-out of HCFC-141b.

10. Procedures currently in force for the submission of project proposals from bilateral and implementing agencies on behalf of governments of Article 5 countries (decision 67/17)

Document UNEP/OzL.Pro/ExCom/68/47 is submitted by the Secretariat pursuant to decision 67/17. The document outlines the procedures currently in force for project submissions from bilateral and implementing agencies on behalf of governments.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to note document UNEP/OzL.Pro/ExCom/68/47 outlining the procedures currently in force for the submission of project proposals from bilateral and implementing agencies on behalf of governments of Article 5 countries.

11. Accounts of the Multilateral Fund

(a) Final 2011 accounts

Document UNEP/OzL.Pro/ExCom/68/48 presents the 2011 financial statements of the Multilateral Fund, the four implementing agencies and the Secretariat.

Issues to be addressed:

- United Nations Board of Auditors' findings and recommendations on the Multilateral Fund's 2011 accounts.

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

- (a) To note the audited financial statement of the Multilateral Fund as at 31 December 2011 contained in document UNEP/OzL.Pro/ExCom/68/48;
- (b) To note that the final audit report on the 2011 financial statement for the year ended 31 December 2011 is completed;
- (c) To take note of the United Nations Board of Auditors' findings and recommendations on the Multilateral Fund's 2011 accounts and:
- (i) To request the Treasurer:
- a. To keep the Executive Committee updated on UNEP's position regarding integrating the accounts of the Multilateral Fund with the accounts of UNEP under the International Public Sector Accounting Standards (IPSAS);

- b. To reflect the footnote of the Russian Federation in the 2012 accounts as directed by the Executive Committee in decision 67/1(c) requesting the Treasurer to maintain the outstanding contributions of the Russian Federation in the outstanding contributions category of the accounts of the Fund;
 - c. To ensure that the recommendation by the United Nations Board of Auditors to record audited statement from implementing agencies (World Bank and UNIDO) would not prevent the annual reconciliation of the accounts taking place within the same time frame;
 - d. To update the Committee on UNEP's effort to mitigate exchange rate risks;
- (ii) To request UNEP, as implementing agency, as well as UNDP, UNIDO, and the World Bank to report to the 69th meeting of the Executive Committee on their internal policies and procedures on cash advances to their implementing partners; and
- (d) To request the Treasurer to record in the 2012 accounts the differences between the agencies' provisional statements and their final 2011 accounts as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/68/48.

(b) Reconciliation of the accounts

Document UNEP/OzL.Pro/ExCom/68/49 presents the 2011 reconciliation of the accounts exercise prepared as per decision 38/9(d) which, *inter alia*, requested that a full reconciliation of the accounts with the progress and financial reports be prepared for the last meeting of each year.

Issues to be addressed: None.

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

- (a) To note the reconciliation of the 2011 accounts, as presented in document UNEP/OzL.Pro/ExCom/68/49;
- (b) To request the implementing agencies to carry out 2011 adjustments in 2012 as follows:
 - (i) UNDP to adjust its records of approved amounts by US \$33 in its Progress Report;
 - (ii) UNEP to adjust its progress report records on approved amounts by US \$-21,960 and the Secretariat by US \$-6,232;
 - (iii) UNEP to adjust its income by US \$10,939 and US \$9,720 in its Progress Report;
 - (iv) UNIDO to adjust its records of approved amount by US \$1,506 and its income by US \$213,382 in its Progress Report;
- (c) To request the Treasurer:
 - (i) To withhold from its future transfers to UNDP an amount of US \$321,101 representing the additional interest income reported by UNDP;

- (ii) To refund to UNEP an amount of US \$10,939 to rectify an over recovery reported by UNEP;
- (d) To note the 2011 outstanding reconciling items as follows:
 - (i) US \$39 difference in income in UNEP's 2011 Accounts;
 - (ii) US \$-12 in income and US \$6 less expenditure in UNIDO's 2011 Accounts;
 - (iii) US \$-10 in the World Bank's approved amounts;
- (e) To note the standing reconciling items as follows:
 - (i) UNDP standing reconciling items for unspecified projects at the amounts of US \$68,300 and US \$29,054;
 - (ii) World Bank standing reconciling items for the following projects:
 - Thailand Chiller Project (THA/REF/26/INV/104) at the amount of US \$1,198,946;
 - Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
 - United States of America bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000; and
 - United States of America bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000.

12. Revised 2012, 2013 and 2014 and proposed 2015 budgets of the Fund Secretariat

Document UNEP/OzL.Pro/ExCom/68/50 contains a revision of the 2012 budget of the Fund Secretariat to reflect transfers between budget lines in 2012 and the carryover of unspent balances from 2011 to 2012 to cover the additional costs resulting from having the 67th meeting in Bangkok instead of Montreal. It also introduces the operational costs of the Secretariat for the year 2013 with an additional request for funds under the travel for network meetings line, reflects that 2014 budget containing staff costs remains unchanged, and proposes 2015 budget to cover staff costs in 2015.

Issues to be addressed:

- Request for an additional amount of US \$68668 in the revised 2012 budget to cover cost differentials of having the meeting in Bangkok instead of Montreal;
- Request for additional funds for the travel for network meetings line in 2013 budget.

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

- (a) To approve the revised 2012 budget totalling US \$6,988,442 which includes an additional amount of US \$68,668 to cover cost differentials of having the meeting in Bangkok instead of Montreal in 2012;
- (b) To approve the amount of US \$3,024,031 in the revised 2013 budget of the Fund Secretariat, as contained in Annex I to document UNEP/OzL.Pro/ExCom/68/50, to cover

the operational costs of the Secretariat and the 2013 personnel component cost resulting in a total of US \$7,067,547;

- (c) To note the amount of US \$4,164,821 for the salary component in 2014 already approved at the 65th meeting;
- (d) To approve the proposed 2015 personnel component costs of the budget totaling US \$4,287,391;
- (e) To note the Secretariat's feedback on the appropriate rate of increase for staff costs and maintain the three per cent rate applied to the 2013, 2014 as well as 2015 budgets; and
- (f) To note the change in title of Post 1104 for the Senior Project Management Officer to Deputy Chief Officer on Financial and Economic Affairs.

13. Recruitment process for the position of Chief Officer of the Multilateral Fund Secretariat (decision 67/37)

Document UNEP/OzL.Pro/ExCom/68/51 is prepared in response to decision 67/37(a) and (b) and contains two parts. Part I provides background documentation relating to the recruitment process for the position of the Chief Officer of the Multilateral Fund Secretariat, and Part II contains information on arrangements made by the Fund Secretariat for the Executive Committee to undertake its usual recruitment procedure in relation to the Chief Officer position.

Issues to be addressed:

- Process, arrangements and timeline for the selection of the third Chief Officer of the Multilateral Fund.

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

- (a) To take note of document UNEP/OzL.Pro/ExCom/68/51;
- (b) To approve the Vacancy Announcement of the third Chief Officer based on the Vacancy Announcement of the second Chief Officer after incorporating any suggested amendments at the 68th meeting;
- (c) To request UNEP to expedite the launching of the Vacancy Announcement, as approved by the Executive Committee, in Inspira and to facilitate the selection process in Inspira;
- (d) To establish a working group to advise the 68th meeting on how to resume follow up action to decision XV/48 of the Meeting of the Parties;
- (e) To consider appointing a recruitment committee headed by the Chair in his capacity as first reporting officer and composed of representatives of four Article 5 and three Article 2 members who might review all applications, interview leading candidates and make a recommendation to the 70th meeting of the Executive Committee, it being understood that:
 - (i) The recruitment committee is headed by the Chair of the Executive Committee and is authorized to meet early in March 2013 to establish a short list and, if necessary, to meet once more or hold a teleconference early in July 2013;

- (ii) A representative of the UNEP Secretariat, accompanied by supporting staff, would assist the recruitment committee technically and administratively throughout the process of selecting the candidates and would provide a briefing on the use of the established interviewing method within the United Nations; as has been the case in the selection of the first and second Chief Officer;
- (f) To seek the nomination of the Chief Officer for appointment by the Secretary-General in time for the 72nd Meeting; and
- (g) To request the Secretary-General and the Executive Director of UNEP to expedite the timely appointment of the Chief Officer in order to ensure continuity of the work of the Multilateral Fund.

14. Report of the Production Sector Sub-group

Document [UNEP/OzL.Pro/ExCom/68/52](#) will be issued during the 68th meeting and will provide a report of both the intersessional meeting of the Production Sector Sub-group held on 17 November 2012 in Geneva and the meeting to take place in the margins of the 68th meeting. The document will contain an account of the Sub-group's consideration of provisional agendas of the two meetings, a paper on stage I of the China HCFC production phase-out management plan, a draft decision for the HCFC Production Sector guidelines as modified by the Sub-group at its meeting in the margins of the 65th meeting of the Executive Committee, and on the modification of China's CFC production sector phase-out plan to permit exemptions for the production of CFCs for essential uses approved for other Parties for 2013 (documents [UNEP/OzL.Pro/ExCom/68/SGP-InS/1, 2 and 2/Add.1](#) as well as [UNEP/OzL.Pro/ExCom/68/SGP/1-3](#)).

15. Other matters

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

16. Adoption of the report

The Committee will have in front of it the draft report of the 68th meeting for its consideration and adoption.

17. Closure of the meeting

The meeting is expected to be closed on Friday, 7 December 2012.
