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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-second Meeting
Montreal, 12-16 May 2014

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/72/1 contains the provisional agenda for the 72nd 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/72/1 and, if necessary, 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/72/2 presents a report on the activities of the Secretariat since the 71st meeting of the Executive Committee.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to take note of the Secretariat activities contained in document UNEP/OzL.Pro/ExCom/72/2.

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/72/3 provides information on the status of the Fund as at 11 April 2014. At that date, the fund balance stood at US \$61,280,299. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 71st meeting. The document also provides updated information on the promissory notes and on the fixed-exchange rate mechanism (FERM) which reflects a net gain due to the FERM of US \$19,542,664 since its inception, and informs the Executive Committee on the actions taken pursuant to decision 71/2(d) regarding the outstanding contribution to the Multilateral Fund by the Holy See.

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/72/3;
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible; and
- (c) To request the Treasurer, in consultation with the Fund Secretariat, to continue the discussions with the Holy See on its outstanding contributions to the Multilateral Fund and to report back to the Executive Committee at its 73rd meeting.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/72/4 presents a summary of financial adjustments indicated by the bilateral and implementing agencies as agreed by the Secretariat. It includes statistical data from projects for bilateral and implementing agencies with balances that have been held for over the allowable 12-month period following completion of the project. It also addresses balances to be returned against completed projects and by-decision projects. This document also indicates the level of resources available to the Executive Committee in cash and promissory notes as recorded in the status of contributions and disbursements document.

Issue to be addressed: None

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/72/4;
 - (ii) That the net level of funds being returned by the implementing agencies to the 72nd meeting was US \$1,589,391 against completed projects, which included the return of US \$377,453 from UNDP, US \$1,088,529 from UNEP, and US \$123,409 from UNIDO;

- (iii) That the net level of funds being returned by the implementing agencies to the 72nd meeting was US \$2,490,466 against by-decision projects, which included the return of US \$784,955 from UNEP, and US \$1,705,511 from UNIDO;
 - (iv) That the net level of support costs being returned by the implementing agencies to the 72nd meeting was US \$133,798 against completed projects, which included the return of US \$28,823 from UNDP, US \$95,717 from UNEP, and US \$9,258 from UNIDO;
 - (v) That the net level of support costs being returned by the implementing agencies to the 72nd meeting was US \$230,019 against by-decision projects, which included the return of \$102,045 from UNEP, and US \$127,974 from UNIDO;
 - (vi) That implementing agencies had balances totalling US \$307,766, excluding support costs, from projects completed over two years previously, which included US \$8,332 for UNDP, US \$138,187 for UNEP and US \$161,247 for UNIDO;
 - (vii) That UNDP is working to financially close the 10 projects operationally completed in 2011 and intends to return the balances of US \$8,332 to the 73rd meeting;
 - (viii) That the Government of France has balances for two completed projects over two years previously not returned to the Fund, totaling US \$308,920, excluding support costs and that these balances would be returned in 2014;
 - (ix) That the Government of Italy has balances for one completed projects over two years previously not returned to the Fund, totaling US \$2,677, excluding support costs;
 - (x) That the net level of funds and support costs being returned by the bilateral agencies to the 72nd meeting is US \$7,104, which included the return of US \$6,725 from the Government of Italy and US \$379 from the Government of Japan which will be offset against future projects; and
 - (xi) That UNIDO has requested the project in China (CPR/PRO/INV/436) be reinstated as an “on-going” due to an on-going contract on technical assistance for which the final payment is scheduled in December 2015; and
- (b) To request:
- (i) Implementing agencies with projects completed over two years previously to return the balances as soon as possible;
 - (ii) Implementing agencies to update information on balances against by-decision projects before the 72nd meeting to provide an update on the return on balances to the 72nd meeting; and
 - (iii) UNEP to return all un-obligated balances to the 73rd meeting.

(b) Update on the implementation of the 2014-2016 business plan and cash flow availability (decision 66/3)

Document UNEP/OzL.Pro/ExCom/72/5 considers business planning in light of submissions to the 72nd meeting and allocations in the 2014-2016 business plans. It addresses decisions taken at the 71st meeting with respect to the 2014-2016 business plans, and presents the value of activities that were not submitted to the 72nd meeting but were included in the 2014 business plans, and identifies projects required for compliance. An addendum will assess the forward commitments approved to-date. The document also includes an assessment of cash flow availability and concludes with observations and recommendations.

Issues to be addressed:

- Requests submitted to the 72nd meeting are below their business plan allocation in 2014 by US \$3,863,399 in 2014 and US \$4,368,954 for the period 2014-2016;
- Outstanding pledges included in the carryover that have not been paid amount to US \$5.1 million, and losses due to disputed contributions and the FERM during the 2012-2014 triennium amount to US \$3 million and US \$7.2 million, respectively;
- US \$4.7 million has been collected in interest and US \$13.3 million has been returned in balances from completed projects during the 2012-2014 triennium; and
- Need for an update on cash flow availability at the 73rd meeting of the Executive Committee.

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

- (a) Noting the update on the implementation of the 2014-2016 business plan and cash flow availability (decision 66/3) as contained in document UNEP/OzL.Pro/ExCom/72/5; and
- (b) Requesting the Secretariat to continue to monitor cash flow availability in the update on the implementation of the 2014-2016 business plan to be submitted to the 73rd meeting.
- (c) **Tranche submission delays**

Document UNEP/OzL.Pro/ExCom/72/6 addresses delays in the submissions of tranches that were due to the current meeting and presents recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Twenty-five activities with tranches of HCFC phase-out management plans (HPMPs) for 19 countries due for submission to the 72nd meeting were not submitted;
- Fourteen of the 25 tranches did not achieve the 20 per cent disbursement threshold;
- Signing of agreements/project documents, delays in the submission of progress and financial reports, and reasons for delays specific to individual HPMPs;
- Twenty per cent disbursement threshold not met due to change in the rules for the implementation modality and thus tranche withdrawn; and
- No impact or unlikely any impact on compliance resulting from the late submission of these tranches as per the relevant implementing agencies.

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

- (a) Noting:
 - (i) The report on tranche submission delays as contained in document UNEP/OzL.Pro/ExCom/72/6;
 - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by the Government of Germany, UNDP, UNEP, UNIDO and the World Bank;
 - (iii) That 48 out of 73 activities related to tranches of HCFC phase-out management plans (HPMPs) due for submission had been submitted on time to the 72nd meeting and that one of those tranches was withdrawn after discussion with the Fund Secretariat;
 - (iv) That relevant implementing agencies indicated no impact or unlikely impact resulting from the late submission of the tranches of HPMPs that were due to the first meeting of 2014 and that there had been no indication that any of these countries were in non-compliance with the 2013 freeze of HCFC consumption; and
- (b) Requesting the Secretariat to send letters to the governments contained in Annex I to the present document.

6. Programme implementation

(a) Monitoring and evaluation

(i) 2014 consolidated project completion report of multi-year agreements

Document UNEP/OzL.Pro/ExCom/72/7 presents an overview of the multi-year agreement (MYA) project completion reports received up to 28 February 2014 and the lessons learned from their project implementation experience.

Issues to be addressed: None

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

- (a) Taking note of the 2014 consolidated project completion report (PCR) of multi-year agreements (MYA) contained in document UNEP/OzL.Pro/ExCom/72/7;
- (b) Requesting bilateral and implementing agencies concerned to submit to the 73rd meeting the backlog of MYA PCRs as contained in Table 1 of document UNEP/OzL.Pro/ExCom/72/7; and
- (c) Inviting all those involved in the preparation and implementation of MYA projects to take into consideration the lessons learned from MYA PCRs when preparing and implementing future projects.

(ii) Multi-year agreement database report

Document UNEP/OzL.Pro/ExCom/72/8 provides information to the Executive Committee on the use of the database for the annual reporting on MYAs, pursuant to decision 63/61(d) and (e)

requesting the Senior Monitoring and Evaluation Officer to inform the Executive Committee on the agencies' update of entries in the MYA database shortly after the approval of an HPMP to reflect the approved and planned activities for the whole HPMP and the relevant annual implementation plans up to and including the year of the next tranche submission.

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 (MYA) database contained in document UNEP/OzL.Pro/ExCom/72/8;
- (b) To request bilateral and implementing agencies to fill in the missing information in the MYA database and to update it no later than eight weeks prior to the 73rd meeting of the Executive Committee; and
- (c) To note that bilateral agencies not directly involved in project implementation might request the implementing agencies to report the information required in paragraph (b) on their behalf.

(iii) Evaluation of metered-dose inhaler projects (decision 71/26)

Document UNEP/OzL.Pro/ExCom/72/9 presents the evaluation assessing the effectiveness of the transition strategy in facilitating the replacement of CFC with CFC-free metered-dose-inhalers (MDIs) in projects funded by the Multilateral Fund in six countries. The evaluation found out that all countries visited achieved, or are close to achieving, the replacement of CFC-MDI with CFC-free MDI by the end of 2014 while one country will be in 2017. Nevertheless the transition encountered challenges related to the complexity of the projects, difficulty in reaching a wider target population, identification of technology and other technical-related problems. At the end, however, the replacement was successful and it was made without detrimental effects on the patients with asthma or chronic obstructive pulmonary diseases.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to note the report on evaluation of projects for the conversion of CFC-based metered dose inhalers to CFC-free technologies contained in document UNEP/OzL.Pro/ExCom/72/9.

(iv) Revised draft monitoring and evaluation work programme for the year 2014 (decision 71/27)

Documents UNEP/OzL.Pro/ExCom/72/10 presents the draft Monitoring and Evaluation work programme for 2014 based on suggestions made by Executive Committee members during and after the 71st meeting and further discussions with implementing agencies during the Inter-agency coordination meeting held in Montreal from 11 to 13 February 2014 and the Secretariat. One evaluation is suggested: the evaluation of HCFC phase-out projects in the foam sector. The work plan also suggests the final report on evaluation of projects for the conversion of CFC-MDI to non-CFC methodologies. Monitoring activities focus on the preparation of two completion consolidated reports and follow up on the use of the MYA database. The report also includes a schedule of activities and a budget proposal of US \$175,700.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to consider approving the proposed 2014 monitoring and evaluation work programme at a budget of US \$175,700 as shown in Table 2 of document UNEP/OzL.Pro/ExCom/72/10.

(b) Status reports and compliance

Documents UNEP/OzL.Pro/ExCom/72/11, 72/11/Corr.1 and 72/11/Add.1 contain the following parts: I - Status of compliance of Article 5 (A5) countries that are subject to the Montreal Protocol's control measures (decisions 32/76(b) and 67/6(c)); II – A5 countries that are subject to decisions of the Parties on compliance; III - Data on the implementation of country programmes on sectoral distribution of HCFCs and prices of HCFCs; IV - Projects with implementation delays and for which special status reports were requested; V – HCFC demonstration projects; VI – Financial audit report for the halon, CFC production and foam sectors in China; VII – National CFC phase-out management plan (NPP) for the Philippines (financial report); VIII – Implementation plan for the conversion of foam manufacturing enterprises in Nigeria; and IX - Implementation of the NPP (policy and regulatory component) in the Islamic Republic of Iran.

Issues to be addressed:

For Parts I – IV, the need for:

- A report on the status of the licensing system for Botswana, Libya and South Sudan;
- An update on the actions taken by several countries to include the accelerated HCFC control measures agreed in 2007;
- An implementation delay report from the Government of Israel;
- Additional status reports;

For Part VI, the need for:

- Closure, return of balances, and project completion reports for remaining sector plans in China associated with the 2010 phase-out;

For Part VII, the need for:

- Return of funds balances from the NPP in the Philippines and submission of an audit report;

For Part IX, the need for:

- An unaccounted payment for the implementation of the NPP: Policy and regulatory component in the Islamic Republic of Iran.

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

(a) Noting:

- (i) The documents on status reports and compliance as contained in UNEP/OzL.Pro/ExCom/72/11 and Corr.1;

- (ii) That 89 of the 132 countries that provided 2012 data submitted their country programme (CP) implementation reports through the web-based system;
 - (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments and report on implementation delays to notify governments and implementing agencies as required;
- (b) Requesting:
- (i) UNEP to report on the establishment of Botswana's and South Sudan's licensing systems and UNIDO on Libya's licensing system, by the 73rd meeting;
 - (ii) Relevant implementing agencies to provide an update, by the 73rd meeting, on the actions taken by the following countries to include the accelerated HCFC control measures agreed in 2007, namely Argentina, Bolivia (Plurinational State of), Cuba, Dominica, El Salvador, Iraq, Jamaica, Kiribati, Kyrgyzstan, Mauritania, Peru, Philippines (the), Republic of Moldova (the), Serbia, Tonga, Turkmenistan and Tuvalu;
 - (iii) The Government of Israel to provide its implementation delay report to the 73rd meeting; and
 - (iv) The submission of additional status reports to the 73rd meeting on the projects listed in Annex V to the present document, as well as the HCFC phase-out management plan development for Mauritania (MAU/PHA/55/PRP/20) under UNEP implementation.

HCFC demonstration projects

The Executive Committee may wish:

- (a) To note the additional information on the demonstration sub-project for conversion from HCFC-22 to propane at Midea Room Air Conditioner Manufacturer Company in China by UNIDO contained in document UNEP/OzL.Pro/ExCom/72/11/Add.1; and
- (b) To request UNIDO to submit a final report to the 73rd meeting in line with decision 71/13.
- (c) Note the final report on the demonstration project for HFC-32 technology in the manufacture of small-sized commercial air-source chillers/heat pumps at Tsinghua Tong Fang Artificial Environment Co., Ltd. in China by UNDP contained in document UNEP/OzL.Pro/ExCom/72/11/Add1; and
- (d) Request bilateral and implementing agencies to consider the report on conversion from HCFC-22 technology to HFC-32 technology in the manufacture of small-sized commercial air source chillers/heat pumps, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC-22 in small and medium capacity air-conditioning applications, including small-sized commercial air-source chillers/heat pumps.

- (e) Note the final report on the demonstration project for conversion from HCFC-22 technology to ammonia/CO₂ technology in the manufacture of two-stage refrigeration systems for cold storage and freezing applications at Yantai Moon Group Co. Ltd. in China by UNDP contained in document UNEP/OzL.Pro/ExCom/72/11/Add.1; and
- (f) Request bilateral and implementing agencies to consider the report on conversion from HCFC-22 technology to ammonia/CO₂ technology in the manufacture of two-stage refrigeration systems, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC-22 in cold storage and freezing applications with two-stage refrigeration systems.

Financial audit report for the halon, CFC production and foam sector plans in China

The Executive Committee may wish:

- (a) To note the financial audit reports for the halon, CFC production and foam sector plans submitted by the Government of China through the World Bank pursuant to decision 71/12 as contained in document UNEP/OzL.Pro/ExCom/72/11/Add.1;
- (b) To decide:
 - (i) To close the sector plans for CFC production, CFC polyurethane foam and halon, and to request the return of any remaining balances for these sector plans as at the end of 2014 and submit project completion reports to the first meeting of 2015; and
 - (ii) To request the financial audits for 2010, 2011, 2012 and 2013 for the process agent II, solvent and CFC refrigeration sectors to be submitted to the 73rd meeting, and the return of any remaining balances for these sector plans as at the end of 2014 and submit project completion reports for these plans to the first meeting of 2015.

NPP (financial report) in the Philippines

The Executive Committee may wish:

- (a) To note the financial report for expenditures until December 2013 submitted by UNEP for the National CFC phase-out plan work plan for the Philippines as contained in document UNEP/OzL.Pro/ExCom/72/11/Add.1;
- (b) To approve the request for the extension of the Project Management Unit staff and its associated operational cost from January 2014 to May 2014 and not to accrue expenditures exceeding US\$31,000 for this purpose;
- (c) To request:
 - (i) The Government of the Philippines through UNEP to submit the official audited financial report duly signed by an independent or Government accredited auditors no later than June 2014;
 - (ii) UNEP to ensure the return of any balance that remain unspent based on the auditor's report to the Multilateral Fund no later than the 73rd meeting; and

- (iii) The Government of the Philippines and UNEP to submit the project completion report to the first meeting of the Executive Committee in 2015.

HPMP for Nigeria (stage I, third tranche)

The Executive Committee may wish to take note of the implementation plan for the conversion of foam manufacturing enterprises in the refrigeration sector in Nigeria submitted by UNIDO as contained in UNEP/OzL.Pro/ExCom/72/11/Add.1.

Implementation of the NPP for the Islamic Republic of Iran

The Executive Committee may wish to request UNEP to provide a status report on its discussions with the Government of the Islamic Republic of Iran on the unaccounted payment of US \$60,000 for the implementation of the national CFC phase-out plan: Policy and regulatory component to the 73rd meeting.

7. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/72/12 contains four sections: An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 72nd meeting; issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration. The document also informs the Committee on the review of requests for project preparation funding for stage II of HPMPs submitted to the 72nd meeting and advises on the recent developments regarding activities pertaining to retrofits of existing refrigeration equipment to hydrocarbon technology.

Issues to be addressed:

- Submission of verification reports together with tranches of HPMPs submitted to the first meeting of the year;
- Clarification on the application of new support cost regime for HPMPs approved at the 66th meeting;
- ODS disposal demonstration projects withdrawn;
- Verifications for low-volume-consuming countries (LVCs) in 2014;
- Submission of stage II of an HPMP with stage I currently ongoing; and
- Fund disbursement threshold for tranches of HPMPs.

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; noting that the agreements between the Governments of Afghanistan, the Plurinational State of Bolivia, Kyrgyzstan, and Mauritius and the Executive Committee had been updated based on the established HCFC baseline for compliance; 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.

Submission of verification reports

The Executive Committee may wish to encourage lead implementing agencies submitting HPMP tranche requests to the first meeting of the year, to include a verification report for the year immediately preceding that year at the time the tranche is being submitted.

Clarification on application of new administrative cost regime for HPMPs approved at the 66th meeting

The Executive Committee may consider whether to:

- (a) Apply the new support cost in line with decision 67/15 for the second and subsequent tranches of HPMPs approved at the 66th meeting;
- OR
- (b) Apply the support cost in place at the time of the approval of these HPMPs at the 66th meeting as indicated in Appendix 2-A of the respective Agreements.

ODS disposal demonstration projects withdrawn from submission to the 72nd meeting

The Executive Committee may wish:

- (a) To consider whether or not to allow, on an exceptional basis, the pilot demonstration project for ODS disposal in Lebanon for implementation by UNIDO, and the regional ODS waste management project for Asia and the Pacific for implementation by the Government of Japan to be resubmitted to the 73rd meeting on the following conditions:
- (i) That the resubmitted proposals met all of the criteria in the ODS destruction guidelines as established in decision 58/19 to the fullest extent;
- (ii) That exporting ODS for destruction be included as an option within the proposal; and
- (b) To request the Secretariat to refrain from submitting these project proposals to the 73rd meeting if the conditions in sub-paragraph (a) above are not fully met.

Verification reports for LVCs

The Executive Committee might wish to request relevant bilateral and implementing agencies to include in their respective amendments to the work programmes for submission to the 73rd meeting, funding for verification reports for stage I of the HPMPs for the Article 5 countries listed in the Table below.

No.	Country	Baseline (mt)	Lead agency	Cooperating agency
1	Angola	290.00	UNDP	
2	Armenia	126.69	UNDP	UNEP
3	Bhutan	5.62	UNEP	UNDP
4	Burundi	129.20	UNEP	UNIDO
5	Cambodia	272.21	UNEP	UNDP

No.	Country	Baseline (mt)	Lead agency	Cooperating agency
6	Chad	292.70	UNEP	UNIDO
7	Guatemala	143.79	UNIDO	UNEP
8	Haiti	66.00	UNEP	UNDP
9	Honduras	344.65	UNIDO	UNEP
10	Lesotho	62.68	Germany	
11	Maldives	76.47	UNEP	UNDP
12	Myanmar	77.80	UNEP	UNIDO
13	Namibia	149.76	Germany	
14	Nicaragua	118.36	UNEP	UNIDO
15	Papua New Guinea	58.71	Germany	
16	Paraguay	333.06	UNEP	UNDP
17	Republic of Moldova (the)	17.00	UNDP	

Submission of stage II of an HPMP with stage I currently ongoing

The Executive Committee may wish:

- (a) To provide guidance on the submission of an Agreement of stage II of the HPMP between an Article 5 country and the Executive Committee when stage I is currently ongoing considering the options proposed in the current document, or request the Secretariat to further develop other options; and
- (b) To provide guidance on finalization of the Agreement between the Government of Mexico and the Executive Committee for stage II of the HPMP for Mexico.

Fund disbursement threshold for tranches of HPMPs

The Executive Committee may wish to:

- (a) Request the Secretariat to continue using the 20 per cent disbursement threshold as a requirement for the approval of future tranches of the HPMP; and
- (b) Request the Secretariat to continue assessing different modalities for fund disbursement threshold for HPMPs and inform the Executive Committee on the results of this analysis no later than the last meeting of 2015.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/72/13 provides an overview of requests from bilateral agencies, and whether these are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2014. Of the 14 projects submitted under bilateral cooperation, there are five requests addressed in the document and the remaining nine are cross-referenced to relevant meeting documents that include a discussion on the bilateral requests.

Issues to be addressed:

- Germany's requests exceed the maximum 20 per cent bilateral contribution for 2012-2014 triennium.

Action expected from the Executive Committee: The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral project approved at the 72nd meeting as follows:

- (a) US \$XX (including agency fees) against the balance of France's bilateral contribution for 2014;
- (b) US \$580,591 (including agency fees) against the balance of Germany's bilateral contribution for 2012 – 2014 and US \$XX to be offset against Germany's bilateral contribution for 2015 – 2017;
- (c) US \$XX (including agency fees) against the balance of Italy's bilateral contribution for 2014; and
- (d) US \$XX (including agency fees) against the balance of Japan's bilateral contribution for 2014.

(c) Work programme

(i) 2014 work programme of UNDP

Document UNEP/OzL.Pro/ExCom/72/14 contains 19 activities submitted by UNDP including four requests for institutional strengthening renewal projects and 15 requests for the preparation of stage II of HPMPs. These requests were recommended for blanket approval and were considered under agenda item 7(a).

Issues to be addressed: None

Action expected from the Executive Committee: None

(ii) 2014 work programme of UNEP

Document UNEP/OzL.Pro/ExCom/72/15 contains 24 activities submitted by UNEP including 18 requests for institutional strengthening renewal projects and six requests for the preparation of stage II of HPMPs. All the requests were recommended for blanket approval and were considered under agenda item 7(a).

Issues to be addressed: None

Action expected from the Executive Committee: None

(iii) 2014 work programme of UNIDO

Document UNEP/OzL.Pro/ExCom/72/16 contains seven activities submitted by UNIDO including one request for renewal of institutional strengthening project, one project preparation to phase out the use of methyl bromide in fumigation of high moisture in dates, and five requests for the preparation of stage II of HPMPs. All the requests were recommended for blanket approval and were considered under agenda item 7(a).

Issues to be addressed: None

Action expected from the Executive Committee: None

(iv) 2014 work programme of World Bank

Document [UNEP/OzL.Pro/ExCom/72/17](#) contains two activities submitted by the World Bank for the preparation of stage II of HPMPs. All the requests were recommended for blanket approval and were considered under agenda item 7(a).

Issues to be addressed: None

Action expected from the Executive Committee: None

(d) Investment projects

Document [UNEP/OzL.Pro/ExCom/72/12](#) contains a list of projects for individual consideration (see table below). HPMP tranches of 12 countries and two methyl bromide tranches were recommended for blanket approval and were considered under agenda item 7(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.

Country	Project	Agency	ExCom document	Issue
ODS Disposal				
Algeria	Pilot demonstration project on ODS waste management and disposal	UNIDO	72/19	All technical and cost issues resolved
Brazil	Pilot demonstration project on ODS waste management and disposal	UNIDO	72/23	All technical and cost issues resolved
Methyl Bromide production sector				
China	Sector plan for the phase out of methyl bromide production (phase IV)	UNIDO	72/24	Balances from previous tranches, duplicative activities and not related to the production sector, and closure/return of balances
HPMPs tranches request				
Bosnia and Herzegovina	HCFC phase-out management plan (stage I, second tranche)	UNIDO	72/22	Non-compliance with HCFC consumption in 2013
Iran (Islamic Republic of)	HCFC phase-out management plan (stage I, third tranche)	UNDP/UNIDO	72/29	Changes in the foam component, HCFC verification
Saudi Arabia	HCFC phase-out management plan (stage I, second tranche)	UNIDO/UNEP	72/34	NPP verification, HCFC verification
HPMPs stage I				
Tunisia	HCFC phase-out management plan (stage I, first tranche)	UNIDO	72/36	All technical and cost issues have been resolved
HPMPs stage II				
Mexico	HCFC phase-out management plan (stage II, first tranche)	UNIDO/Germany/Italy/UNEP	72/33	Overlap between stages I and II

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 information provided in the relevant project proposal document including the Secretariat's comments, and any information provided at the meeting by the Secretariat or the relevant bilateral and/or implementing agency.

8. Disbursement of funds for the HCFC phase-out management plan for China (decision 71/44)

Document UNEP/OzL.Pro/ExCom/72/38 addresses possible options that could achieve the objective of disbursing funds to the Government of China as close to the time when funds are needed. It further describes the status quo with respect in particular to performance- and disbursement-based milestones and direct disbursement from agencies to final beneficiaries. It also addresses the extent to which implementing agencies' agreements address this objective and how the inclusion of disbursement-related milestones might further achieve the objective.

Issues to be addressed:

- Whether to encourage implementing agencies to define milestones with a view to providing funds to final beneficiaries when needed for stage II HPMPs.

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

- (a) To note:
 - (i) The report on disbursement of funds for the HCFC phase-out management plan for China (decision 71/44) as contained in document UNEP/OzL.Pro/ExCom/72/38;
 - (ii) That the balance of funds transferred from the implementing agencies to the Foreign Economic Cooperation Office/Ministry of Environmental Protection (FECO/MEP), and from FECO/MEP to final beneficiaries continue to be monitored in annual financial audit reports submitted by FECO/MEP to the Treasurer through the implementing agencies pursuant to decision 70/20; and
- (b) To encourage implementing agencies to define milestones with a view to providing funds to final beneficiaries when needed in stage II of HPMP.

9. Criteria for funding HCFC phase-out in the consumption sector for stage II of HCFC phase-out management plans (decision 70/21(d))

Document UNEP/OzL.Pro/ExCom/72/39 has been prepared by the Secretariat pursuant to decision 70/21(d) by which the Executive Committee decided *inter alia* to defer discussion of the criteria for funding HCFC phase-out in the consumption sector for stage II HPMPs to the 72nd meeting, with the goal of reaching agreement on such criteria at this meeting. The document contains background information and the draft revised criteria for funding.

Issues to be addressed: Criteria for funding of HCFC phase-out in the consumption sector for stage II HPMPs.

Action expected from the Executive Committee: The Executive Committee may wish to adopt the draft revised criteria for funding HCFC phase-out in the consumption sector for stage II of HCFC phase-out management plans as contained in document UNEP/OzL.Pro/ExCom/72/39.

10. Overview of approved HCFC demonstration projects and options for additional projects to demonstrate climate-friendly and energy-efficient alternative technologies to HCFCs (decision 71/51(a))

Document UNEP/OzL.Pro/ExCom/72/40 consists of the following parts: I: overview of approved HCFC demonstration projects; II: impact of HCFC demonstration projects on the penetration of alternatives; III: options for additional projects to demonstrate climate-friendly and energy efficient alternative technologies; IV: conclusions; and V: recommendations.

Issues to be addressed: None

Action expected from the Executive Committee: The Secretariat recommends that the Executive Committee:

- (a) Takes note of the overview of approved HCFC demonstration projects and options for additional projects to demonstrate climate-friendly and energy efficient alternative technologies to HCFCs (decision 71/51(a)), contained in document UNEP/OzL.Pro/ExCom/72/40; and
- (b) Takes into account the information and suggestions provided in document UNEP/OzL.Pro/ExCom/72/40 in its further deliberation on options for additional projects to demonstrate climate-friendly and energy-efficient alternative technologies to HCFCs.

11. Additional activities to maximize climate benefits in the HCFC production sector (decision 71/51(b))

Document UNEP/OzL.Pro/ExCom/72/41 briefly describes the climate impact associated with the production of HCFCs, and discusses possible additional activities to maximize climate benefits in the HCFC production sector and associated challenges. The document addresses HFC-23 production monitoring and reporting, a possible study on reducing emissions and optimizing production processes; policy and regulation options; and the destruction of HFC-23 through incineration facilities.

Issues to be addressed:

- Whether any of the possible activities to maximize climate benefits in the HCFC production sector might be considered in future business planning.

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

- (a) To note the document on additional activities to maximize climate benefits in the HCFC production sector (decision 71/51(b)) (UNEP/OzL.Pro/ExCom/72/41); and
- (b) To consider whether any of the following activities might be considered as part of future business plans:
 - (i) HFC-23 production monitoring and reporting;
 - (ii) Study on reducing emissions and optimizing production processes;
 - (iii) Policy and regulation; and
 - (iv) Destruction of HFC-23 through on-site/off-site incineration facilities.

12. Minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector (decision 71/43)

Document UNEP/OzL.Pro/ExCom/72/42 contains a Note from the Secretariat summarizing the discussions held at the 70th and 71st meetings, and at the Inter-agency coordination meeting held in February 2014, with respect to the discussion paper on minimizing the adverse climate impact of HCFC phase-out in the refrigeration servicing sector, that was deferred to the 72nd meeting by decision 71/43, on the understanding that sufficient time would be made available to the Executive Committee to discuss it. The discussion paper describes key considerations to minimize adverse climate impact in the servicing sector, provides an overview of the current refrigeration servicing sector, and outlines the experiences gained from the phase-out of CFCs in this sector where applicable to HCFC phase-out. It also provides approaches to minimize adverse climate impact during the implementation of the activities for the refrigeration servicing sector already approved under stage I, and yet to be approved under stage II of HPMPs. The document has taken into consideration substantial discussions and consultations with the relevant agencies, as well as experiences in the implementation of projects in the refrigeration servicing sector.

Issues to be addressed: None

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

- (a) Take note of document UNEP/OzL.Pro/ExCom/70/53/Rev.1 on minimizing adverse climate impact of HCFC phase-out in the refrigeration servicing sector (decision 68/11);
- (b) Invite relevant bilateral and implementing agencies to consider the information contained in document UNEP/OzL.Pro/ExCom/70/53/Rev.1 when assisting Article 5 countries in the preparation and implementation of activities in the refrigeration servicing sector contained in their HCFC phase-out management plans (HPMPs);
- (c) Encourage Article 5 countries to consider during the implementation of their HPMPs:
 - (i) The development of regulations and codes of practice, and the adoption of standards for the safe introduction of flammable refrigerants given the potential risk of accidents associated with their use; and
 - (ii) Measures to limit the import of HCFC-based equipment and to facilitate the introduction of energy efficient and climate friendly alternatives.

13. Progress report on the use of the Multilateral Fund climate impact indicator (decision 69/23)

Document UNEP/OzL.Pro/ExCom/72/43 presents the report on the progress made and experience gained with respect to the Multilateral Fund Climate Impact Indicator pursuant to decision 69/23 whereby the Secretariat was requested to provide such a report to the last meeting of the Executive Committee in 2014. The document provides the specific feedback provided by the implementing agencies regarding their experience on its use and indicates that the Secretariat is currently working in updating the related MCII software among others.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to note the information presented in document UNEP/OzL.Pro/ExCom/72/43.

14. Accounts of the Multilateral Fund (decision 71/46(d) and (e))

Document UNEP/OzL.Pro/ExCom/72/44 has been prepared by the Treasurer together with the Secretariat to address decision 71/46(d) and (e). Section I of the document addresses the consolidation of the Multilateral Fund (MLF) account with those of UNEP under the International Public Sector Accounting Standards, the mitigation of exchange rate risks on contributions and procedures set up by the UNEP-wide standard on cash advances and the potential impact on MLF funded project implementation. Section II addresses issues on transfers from the Treasurer to implementing agencies and recommends that an independent expert's view be considered before reporting back at the next meeting of the Committee.

Issues to be addressed: None

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

- (a) Note the Accounts of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/72/44;
- (b) Request the Treasurer to report on the status of the consolidation of the accounts of the Multilateral Fund to the 74th meeting once the International Public Sector Accounting Standards and Umoja are fully operational; and
- (c) Request the Treasurer in consultation with the Secretariat to seek expert's views on the issue of the fund transfers from the Treasurer to the implementing agencies and report back to the 73rd meeting of the Executive Committee.

15. Revised 2014, and proposed 2015 and 2016 budgets of the Fund Secretariat (decision 71/48(f), (g) and (h))

Document UNEP/OzL.Pro/ExCom/72/45 is submitted pursuant to decision 71/48(f), (g) and (h) and consists of the following sections: options regarding the classification results and the financial and operational implications to the MLF; options for cost savings through reduced programme support costs; new presentation of the budget document; revised budget for 2014; revised budget for 2015; revised budget for 2016; and recommendations. It also provides the Committee with an overview of staff entitlements at the general service and professional categories.

Issues to be addressed: None

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

- (a) Taking note of the revised 2014, 2015 and 2016 budgets of the Fund Secretariat contained in document UNEP/OzL.Pro/ExCom/72/45;
- (b) Approving the revised 2014 budget, based on two meetings per year, to reflect:
 - (i) The upgrade of posts 1301 and 1310 from G7 to P2 under BL 1115 and BL 1116 respectively effective June 2014 with a transfer of US \$12,500 from BL 1201 and US \$12,500 from BL 1335 into BL 1115 and BL 1116 respectively to offset the increase in personal costs due to a six month upgrade of the two posts; and

(ii) A decrease in the following budget lines:

4101	Office stationery	(US \$5,265)
5201	Reproduction costs	(US \$4,590)
5302	Freight charges	(US \$4,050)
5401	Hospitality	(US \$7,200)

resulting in the total costs of [US \$6,966,923 (13 per cent programme support cost)] or [US \$6,818,463 (9 per cent in programme support cost)];

- (c) Approving the revised 2015 budget to reflect the two upgrades with an additional transfers of US \$12,500 compared to 2014 from BL 1201 and BL 1335 into BL 1115 and BL 1116 respectively to cover 12 months upgrade of post BL 1115 and BL 1116 and introduce operational costs at the same level as 2014 in the additional amount of US \$2,807,073 totaling [US \$7,094,464 (13 per cent in programme support cost)] or [US \$6,940,604 (9 per cent programme support cost)], and on the understanding that no allocation is made for a third meeting in 2015; and
- (d) Approving the revised 2016 budget to reflect the two upgrades and introduce operational costs in the additional amount of US \$2,808,848 for 2016 to cover the two upgrades and introduce the operational costs as in 2015 totaling [US \$7,224,860 (13 per cent programme support cost)] or [US \$7,066,385 (9 per cent programme support cost)], on the understanding that no allocation is made for a third meeting in 2016.

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

Document UNEP/OzL.Pro/ExCom/72/46 will be issued during the 72nd meeting and it will provide a report of the meeting of the Sub-group on the Production Sector 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 draft decision for the HCFC Production Sector guidelines; the Addendum to the HCFC production phase-out management plan (HPPMP) in China; and the 2013 progress report and 2014 annual plan for the HPPMP in China.

17. Other matters

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

18. Adoption of the report

The Executive Committee will have in front of it the draft report of the 72nd meeting for its consideration and adoption.

19. Closure of the meeting

The meeting is expected to be closed on Friday, 16 May 2014.
