



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/73/1/Add.1*
21 October 2014

ORIGINAL: ENGLISH



EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-third Meeting
Paris, 9-13 November 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/73/1 contains the provisional agenda for the 73rd 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/73/1 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/73/2 presents a report on the activities of the Secretariat since the 72nd 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/73/2.

* Reissued for technical reasons on 24 October 2014.

4. Status of contributions and disbursements

Documents UNEP/OzL.Pro/ExCom/73/3 and Corr.1 provides information on the status of the Fund as at 8 October 2014. At that date, the fund balance stood at US \$76,544,874. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 72nd 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 \$19,335,876 since its inception, and informs the Executive Committee on the actions taken pursuant to decision 72/1(d) regarding the outstanding contributions to the Multilateral Fund by the Holy See and the Government of Kazakhstan.

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 documents UNEP/OzL.Pro/ExCom/73/3 and Corr.1;
- (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 following up with the Holy See and the Government of Kazakhstan on their outstanding contributions and to report back to the 74th meeting.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/73/4 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 addresses balances to be returned against completed projects and projects completed “by-decision” of the Executive Committee. 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:

- Balances from projects completed over two years ago;
- Balances from projects completed by decision of the Executive Committee; and
- Unobligated balances from projects completed over one year ago.

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/73/4;

- (ii) That the net level of funds being returned by the implementing agencies to the 73rd meeting was US \$3,263,179 against completed projects, which included the return of US \$168,171 plus agency support costs of US \$34,949 from UNDP; US \$271,563 plus agency support costs of US \$27,974 from UNEP; US \$30,435 plus agency support costs of US \$2,303 from UNIDO; and US \$2,143,080 plus agency support costs of US \$584,704 from the World Bank;
 - (iii) That the net level of funds being returned by the implementing agencies to the 73rd meeting was US \$253,129 against by-decision projects, which included the return of US \$222,703 plus agency support costs US \$28,952 from UNEP and US \$1,352 plus agency support costs US \$122 from UNIDO;
 - (iv) That implementing agencies had balances totalling US \$83,658 excluding support costs, from projects completed over two years previously, which included US \$50,058 for UNDP and US \$33,600 for UNIDO;
 - (v) That the Government of France has balances for four completed and one closed projects over two years previously, totaling US \$378,985, excluding support costs;
 - (vi) That the Government of Italy has balances for one completed project over two years previously, totaling US \$2,677, excluding support costs;
 - (vii) That the Government of Israel has balances for one completed project over two years previously, totaling US \$68,853, excluding support costs;
- (b) To request:
- (i) Bilateral and implementing agencies with projects completed over two years previously to return the balances to the 74th meeting;
 - (ii) Bilateral and implementing agencies to liquidate or cancel obligations not needed for completed and “by-decision” projects in order to return balances to the 74th meeting as a follow up to decisions 70/7(b)(ii) and (iii) and 71/11(b);
 - (iii) Bilateral and implementing agencies to return balances from all closed projects to the 74th meeting; and
 - (iv) UNEP and the World Bank to return all un-obligated balances to the 74th meeting;
- (c) To consider whether to withhold against future allocation of the implementing agencies the amount of un-obligated balances of projects completed over one year ago that were not returned to the 74th meeting.

(b) 2014-2016 business plan and cash flow availability

Document UNEP/OzL.Pro/ExCom/73/5 considers business planning in light of approvals at the 72nd meeting and submissions to the 73rd meeting and allocations in the 2014-2016 business plans. Firstly, 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 either the 72nd or 73rd meeting but were included in the 2014 business plans, and identifies projects required for compliance. It provides information on forward commitments approved to-date based on submissions to the 73rd meeting. The document also includes an assessment of cash flow indicating the level of actual and expected revenue for the 2012-2014 triennium.

Issues to be addressed:

- Requests submitted to the 73rd meeting are below their business plan allocation in 2014 by US \$6,174,840 in 2014 and US \$8,894,664 for the period 2014-2016;
- US \$29,162,373 in activities not submitted or submitted but subsequently withdrawn excluding those activities that are not expected to be submitted in future business plans;
- Outstanding pledges included in the carryover that have not been paid amount to US \$4,780,702, and losses due to the fixed exchange rate mechanism and disputed contributions as estimated during the 2012-2014 triennium amount to US \$7,416,529 and US \$4,747,673, respectively;
- Payment of previously disputed contributions amounting to US \$5,672,259.

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 72/3(b)) as contained in document UNEP/OzL.Pro/ExCom/73/5; and
- (b) Adding to the 2015-2017 business plan the activities from the 2014 business plan that were not submitted in 2014 and are expected to be submitted in 2015 as indicated in Annex I, and those activities that were submitted but withdrawn, as indicated in Annex II of document UNEP/OzL.Pro/ExCom/73/5, as well as those projects submitted to the 73rd meeting but were not approved by the Executive Committee.
- (c) **Tranche submission delays**

Document UNEP/OzL.Pro/ExCom/73/6 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 activities with tranches of HCFC phase-out management plans (HPMPs) for 16 countries due for submission to the 73rd meeting were not submitted;
- Eleven of the 20 tranches did not achieve the 20 per cent disbursement threshold;
- In addition the main reasons for delays were technical reasons, changes in national ozone unit (NOU) or Government, delay in verification report submission, signing of agreements/project documents, absence of a quota system, the lead agency, request by Government and unrest in the country;
- Ten tranches in six countries were submitted but then withdrawn for reasons including: no disbursement, slow progress, lack of verification report, pending letters confirming existence of a licensing system and submission; and
- The relevant implementing agencies indicated that there was no impact or unlikely any impact on compliance resulting from the late submission of these tranches.

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

- (a) Noting:
 - (i) The report on tranche submission delays contained in document UNEP/OzL.Pro/ExCom/73/6;

- (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP, UNEP, UNIDO and the World Bank;
 - (iii) That 33 out of 53 activities related to tranches of HCFC phase-out management plans (HPMPs) due for submission had been submitted on time to the 73rd meeting and that 10 of those tranches was withdrawn after discussion with the Secretariat;
 - (iv) That relevant implementing agencies indicated no impact or unlikely impact on compliance resulting from the late submission of the tranches of HPMPs due for the second 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 on the decisions on tranche submission delays to the governments contained in Annex I to the present document.

6. Programme implementation

(a) Monitoring and evaluation

(i) 2014 consolidated project completion report

Document UNEP/OzL.Pro/ExCom/73/7 presents an overview of the multi-year agreement (MYA) project completion reports received up to 10 September 2014 and the lessons learned from 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 contained in document UNEP/OzL.Pro/ExCom/73/7 including the schedule for submission of project completion reports (PCRs) due and the lessons learned;
- (b) Requesting the World Bank:
 - (i) To establish by the end of December 2014 in cooperation with the Secretariat, full consistency of data reported in the PCRs in the Inventory and in the annual progress reports;
 - (ii) To provide to the Secretariat by the end of December 2014 the information still missing in a number of PCRs;
 - (iii) To clear by the end of December 2014 the backlog of PCRs on projects;
- (c) Requesting bilateral and implementing agencies to submit outstanding PCRs in line with its decisions 23/8 and 24/9; and
- (d) 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.

(ii) Desk study on the evaluation of HCFC phase-out projects in the foam sector

Document UNEP/OzL.Pro/ExCom/73/8 analyzes the progress made in phasing-out HCFCs in the foam sector for projects in stage I of HPMPs funded by the Multilateral Fund. It focuses on challenges encountered during project implementation and makes recommendations for the next phase of the evaluation.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to note the desk study on the evaluation of the phase-out of the HCFC in the foam sector contained in document UNEP/OzL.Pro/ExCom/73/8 and its conclusions.

(iii) Draft monitoring and evaluation programme for the year 2015

Documents UNEP/OzL.Pro/ExCom/73/9 presents the draft Monitoring and Evaluation work programme for 2015 for consideration by the Executive Committee. The monitoring and evaluation activities in the work plan have been proposed based on discussions by the Executive Committee on issues pertaining to monitoring and evaluation on previous meetings; the review of progress reports of on-going projects and project completion reports; and on discussions with implementing agencies and the Secretariat.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to consider approving the proposed monitoring and evaluation work programme for 2015 at a budget of US \$239,484 as shown in Table 2 of document UNEP/OzL.Pro/ExCom/73/9.

(b) Progress report as at 31 December 2013

(i) Consolidated progress report

Document UNEP/OzL.Pro/ExCom/73/10 summarises the progress and financial information on the implementation of projects and activities supported by the Fund up to 31 December 2013. The report consists of three parts and three annexes: Part I is a summary of implementation progress for the Fund overall; Part II is a summary of activities to the end of 2013; and Part III contains comments and recommendations made by the Fund Secretariat. Annex I contains project implementation data by country. Annex II presents information on HPMP implementation by country. Annex III is an analysis of data from the progress reports, the Appendix I contains projects with implementation delays, and Appendix II contains the list of projects with additional status reports.

Issues to be addressed:

- Accumulation of balances for projects with the X modality;
- Implementation of inter-sessional progress reports and the revised Remarks column;
- Implementation of inter-sessional progress reports and additional status reports/reports on implementation delays;
- Projects with implementation delays and for which additional status reports are requested; and
- Revision of project completion dates by implementing agencies without prior approval from the Executive Committee.

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

- (a) To note:
- (i) The consolidated progress report of the Multilateral Fund as at 31 December 2013 as contained in document UNEP/OzL.Pro/ExCom/73/10;
 - (ii) With appreciation, the efforts undertaken by implementing agencies in reporting the 2013 activities and submitting reporting formats for a smooth implementation of decision 70/7(b)(i);
 - (iii) That the implementing agencies will report to the 74th meeting on 15 projects with implementation delays and 78 projects recommended for additional status reports as contained in Appendices I and II of Annex III of document UNEP/OzL.Pro/ExCom/73/10; and
- (b) To consider whether the implementing agencies should be allowed to revise projects' planned completion dates beyond those dates decided by the Executive Committee except for Iraq and Yemen for which the Secretariat is recommending their extension due to the political and security situation within these countries.

(ii) Bilateral agencies;

Document UNEP/OzL.Pro/ExCom/73/11 contains summary of implementation progress for all bilateral activities and information and comments on the individual progress reports on activities up to 31 December 2013 implemented under bilateral cooperation by: Australia, Canada, the Czech Republic, France, Germany, Israel, Italy, Japan and Spain. A progress report has not been received from Switzerland.

Issues to be addressed:

- Progress reports not submitted by Switzerland; and
- Projects with implementation delays and status reports.

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

- (a) To note:
- (i) With appreciation the progress reports submitted by the Governments of Australia, Canada, the Czech Republic, France, Germany, Israel, Italy, Japan and Spain contained in document UNEP/OzL.Pro/ExCom/73/11;
 - (ii) That Spain will report to the 74th meeting on one project with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10);
- (b) To request the Government of Switzerland to provide its progress report to the 74th meeting; and
- (c) To request the submission of additional status reports to the 74th meeting to monitor:
- (i) Regarding the preparation of an HCFC phase-out management plan (HPMP) in Botswana (BOT/PHA/60/PRP/14) implemented by Germany, the actions taken by the Government of Botswana towards the establishment of the licensing system for ODS imports and exports to enable its HPMP to be submitted;

- (ii) The disbursement rates of approved funds and implementation progress for the national methyl bromide phase-out plan (third tranche) in Mexico implemented by Spain; and
- (iii) The disbursement rates of approved funds and implementation progress for the tranches of the HPMPs in the following countries: Afghanistan implemented by Germany, and Ghana implemented by Italy.

(iii) UNDP

Document UNEP/OzL.Pro/ExCom/73/12 contains a summary of implementation progress for UNDP for activities up to 31 December 2013 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Agreement signing and low disbursement rates of approved funds for a number of projects;
- Implementation delays; and
- Status reports requested at the 73rd meeting for submission to the 74th meeting.

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

- (a) To note:
 - (i) The progress report of UNDP as at 31 December 2014 as contained in document UNEP/OzL.Pro/ExCom/73/12;
 - (ii) That UNDP will report to the 74th meeting on two projects with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10);
 - (iii) That the cumulative fund balance estimated at US \$208,291 has been obligated by UNDP for the three refrigerant management plan (RMP) activities in Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15);
- (b) To request UNDP to submit additional status reports to the 74th meeting to monitor:
 - (i) The project implementation progress and the disbursement rates of approved funds for the demonstration projects for integrated management of the centrifugal chiller sub-sector, focusing on application of energy efficient CFC free technologies for replacement of CFC-based chillers in Brazil (BRA/REF/47/DEM/275) and Colombia (COL/REF/47/DEM/65);
 - (ii) The signing of the project document/letter of agreement and the disbursement rates of approved funds for the HCFC phase-out management plans (HPMPs) in Barbados, Peru and Saint Kitts and Nevis, and the disbursement rates of approved funds in Belize and Nepal; and
 - (iii) The implementation of the activities and the disbursement rates of approved funds for the institutional strengthening projects in Brazil (BRA/SEV/66/INS/297) and Georgia (GEO/SEV/69/INS/34).

(iv) UNEP

Document UNEP/OzL.Pro/ExCom/73/13 contains a summary of implementation progress for UNEP for activities up to 31 December 2013 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Agreement signing and low disbursement rates of approved funds for a number of projects;
- Implementation delays;
- Status reports requested at the 73rd meeting for submission to the 74th meeting;
- Two countries without an approved HPMP; and
- Extension of an IS project;

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

- (a) To note:
- (i) The progress report of UNEP as at 31 December 2013 as contained in document UNEP/OzL.Pro/ExCom/73/13;
 - (ii) That UNEP will report to the 74th meeting on up to five projects with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10);
- (b) To request UNEP to submit additional status reports to the 74th meeting to monitor:
- (i) The disbursement rates of approved funds for the methyl bromide (MB) multi-year agreements in Chile and Guatemala;
 - (ii) The disbursement rates of approved funds for the demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region (EUR/DES/69/DEM/13);
 - (iii) The submission of the HCFC phase-out management plan (HPMP) in Mauritania (MAU/PHA/55/PRP/20) and South Sudan (SSD/PHA/70/PRP/02);
 - (iv) The disbursement rates of approved funds for the following HPMP activities approved over a year ago with disbursement below 10 per cent: Barbados, Dominica, El Salvador, Eritrea, Haiti, Kuwait, Philippines (the), Suriname, and Uganda;
 - (v) The agreement signing and the disbursement rates of approved funds for the following HPMP activities approved over a year ago with disbursement below 10 per cent: Bahrain, Guatemala, Iraq, Myanmar, Peru, Turkey, Venezuela (Bolivarian Republic of), and Yemen;
 - (vi) The disbursement rates of approved funds for the following institutional strengthening projects: Angola (ANG/SEV/69/INS/11), Bahrain (BAH/SEV/68/INS/25), Botswana (BOT/SEV/68/INS/15), Brunei Darussalam (BRU/SEV/67/INS/14), Central African Republic (the) (CAF/SEV/68/INS/23), the Democratic People's Republic of Korea (DRK/SEV/68/INS/57), Ecuador (ECU/SEV/59/INS/43), Eritrea (ERI/SEV/68/INS/12), Fiji (FIJ/SEV/67/INS/24),

Iraq (IRQ/SEV/69/INS/18), Jamaica (JAM/SEV/68/INS/31), Kenya (KEN/SEV/69/INS/54), Kuwait (KUW/SEV/68/INS/22), Liberia (LIR/SEV/69/INS/20), Mauritania (MAU/SEV/57/INS/23), Morocco (MOR/SEV/59/INS/63), Peru (PER/SEV/68/INS/45), Saudi Arabia (SAU/SEV/67/INS/15), Sierra Leone (SIL/SEV/69/INS/26), Timor-Leste (TLS/SEV/69/INS/10), and Viet Nam (VIE/SEV/68/INS/60); and

- (c) To consider, with respect to Iraq's national phase-out plan (NPP) with implementation issues due to the political and security situation, extending the approved completion date of December 2014 to December 2015.

(v) **UNIDO**

Document UNEP/OzL.Pro/ExCom/73/14 contains a summary of implementation progress for UNIDO for activities up to 31 December 2013 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Low disbursement rates of approved funds for a number of projects;
- Implementation delays; and
- Status reports requested at the 73rd meeting for submission to the 74th meeting.

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

- (a) To note:
- (i) The progress report of UNIDO as at 31 December 2013 as contained in document UNEP/OzL.Pro/ExCom/73/14;
 - (ii) That UNIDO would report to the 74th meeting on up to six projects classified with implementation delays as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10); and
- (b) To request UNIDO to submit additional status reports to the 74th meeting to monitor:
- (i) The disbursement rates of approved funds for the ODS disposal projects in: China (CPR/DES/67/DEM/520), Nigeria (NIR/DES/67/DEM/133) and the Europe and Central Asia region (EUR/DES/69/DEM/14);
 - (ii) The disbursement rates of approved funds for the demonstration project in West Asia for promoting low-global warming potential refrigerants for air conditioning sectors in high-ambient temperature countries (ASP/REF/69/DEM/57);
 - (iii) The disbursement rates of approved funds for the multi-year agreements (MYAs) for HCFC phase out management plans (HPMPs) approved over one year ago for Algeria, Bahrain, Eritrea, Ethiopia, Indonesia, Iraq, Kuwait, Somalia, South Africa, Uganda, and Yemen; and
 - (iv) The disbursement rates of approved funds for the institutional strengthening (IS) projects in (QAT/SEV/59/INS/15) and Tunisia (TUN/SEV/66/INS/53)

(vi) World Bank

Document UNEP/OzL.Pro/ExCom/73/15 contains a summary of implementation progress for the World Bank for activities up to 31 December 2013 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Agreement signing and low disbursement rates of approved funds for a number of projects;
- Implementation delays; and
- Status reports requested at the 73rd meeting for submission to the 74th meeting.

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

(a) To note:

- (i) The progress report of the World Bank as at 31 December 2013 as contained in document UNEP/OzL.Pro/ExCom/73/15;
- (ii) That the World Bank will report to the 74th meeting on one project with implementation delays which was also classified as such in 2012, as indicated in Appendix I of Annex III of the consolidated progress report (UNEP/OzL.Pro/ExCom/73/10);

(b) To request the World Bank to submit additional status reports to the 74th meeting to monitor:

- (i) The disbursement rates of approved funds for the global chiller demonstration project (GLO/REF/47/DEM/268) and the signing of the grant agreement for the Argentina component;
- (ii) The signing of the grant agreement for the HCFC phase-out management plans (HPMPs) in Argentina and Thailand;
- (iii) The disbursement rates of approved funds for the HPMPs in Indonesia and Jordan; and

(c) To request the World Bank and the Secretariat to report on a resolution to the difference in phase-out of 11,000 ODP tonnes in the consumption sector and 7,000 ODP tonnes in the production sector between the Inventory of Approved Projects and the World Bank's progress report.**(c) Evaluation of the implementation of the 2013 business plan**

Document UNEP/OzL.Pro/ExCom/73/16 presents the evaluation of the 2013 business plans of the implementing agencies using the performance indicators adopted in decision 41/93, the revised weightings adopted by decision 47/51 for all agencies, the targets that were adopted for the 2013 business plans by the Executive Committee (decisions 71/20 to 71/23) and the agencies' progress and financial reports submitted to this meeting. This document also presents a trend analysis for each of the nine performance indicators used in previous years' evaluations and the results of the qualitative assessment of the performance of implementing agencies based on input received from NOU officers. It concludes with the Secretariat's observations and recommendations.

Issues to be addressed:

- Quantitative assessment showed that all agencies achieved over 85 per cent of their targets;
- The trend analysis of nine performance indicators for investment projects indicated improvements in most indicators in 2013 from 2012;
- Fund disbursement targets were largely not achieved for non-investment projects;
- Three implementing agencies received less than satisfactory qualitative assessments from NOUs for which additional dialogues with the relevant NOUs are recommended; and
- Information was not provided by Germany in time for the completion of the document for less than satisfactory ratings from two countries.

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

- (a) To note:
- (i) The evaluation of the implementing agencies' performance against their 2013 business plans as contained in document UNEP/OzL.Pro/ExCom/73/16;
 - (ii) With appreciation that all implementing agencies had a quantitative assessment of their performance for 2013 exceeding 85 on a scale of 100;
 - (iii) That the trend analysis performance improved in 2013 over that in 2012, noting that the performance for indicators such as "ODS to be phased out", "ODS phased out", "net emissions due to delays" and "funds disbursed for non-investment projects" might be improved from careful targeting in future;
- (b) To request the following implementing agencies to report to the 74th meeting on their open and constructive discussion with the respective national ozone unit (NOU) as follows:
- (i) UNDP for the ratings on the qualitative performance assessment from Belize with respect to a status on involving the NOU in decision-making and the Dominican Republic with respect to the service provided by the UNDP country office;
 - (ii) UNEP for the ratings on the qualitative performance assessment from Afghanistan with respect to consultation on how policy tools could be adjusted; with respect to return of unspent project preparation funds in Guyana; and with respect to the choice of refrigeration identifiers and technicians' tool kits in Sao Tome and Principe;
 - (iii) UNIDO for the ratings on the qualitative performance assessment from Madagascar with respect to administrative procedures; and with respect to funding criteria and decisions on regulations and training in South Africa; and
- (c) To request the Government of Germany to provide by the 74th meeting responses to ratings on the qualitative performance assessment with respect to Afghanistan and Bolivia (Plurinational State of).
- (d) Status reports and compliance**

Documents UNEP/OzL.Pro/ExCom/73/17 and Add.1 contain nine parts. Part I is the 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)). Part II addresses A5 countries that are subject to decisions of the Parties on compliance. Part III contains data on the implementation of country programmes (CP) including an analysis of the ozone-depleting substances (ODS) consumption data by sector. Part IV addresses HCFC demonstration projects. Part V contains information on the financial audit reports for the halon, CFC production, foam, process agent II, solvent and CFC refrigeration servicing sectors in China. Part VI provides information on the CFC national phase-out plans (NPPs). Part VII concerns the methyl bromide (MB) phase-out project in Guatemala. Part VIII addresses ODS waste management and disposal. Part IX addresses resource mobilization. Information normally included in this document on projects with implementation delays and those for which status reports were requested are addressed in the Consolidated Progress Report (UNEP/OzL.Pro/ExCom/73/10).

Issues to be addressed:

For parts I to III:

- Any comments on the following observations:
 - Botswana and South Sudan have not established their licensing systems, and Libya licensing system establishment could not be confirmed by UNIDO;
 - Several countries did not include the accelerated HCFC control measures agreed in 2007 in their licensing and quota system;
 - Five countries appear to be in non-compliance with HCFC control measures in 2013 based on 2013 Article 7 (A7) and/or CP data submitted;
 - One country appears to have a variance with control measures for the freeze of production for the year 2013 based on A7 data;
 - One country submitted its HPMPs to the 73rd meeting (the Democratic People's Republic of Korea) and five countries will submit their HPMPs (Mauritania and South Sudan) or resubmit their HPMPs (Botswana, the Libya and Syrian Arab Republic) after the 73rd meeting;
 - For the countries that have submitted 2013 data, 98 reported operational licensing systems.
 - Guatemala methyl bromide consumption in 2014 exceeds the maximum allowed consumption under the agreement

- The need for:
 - A report on the status of the licensing system for 3 countries;
 - An update on actions taken to include accelerated HFC control measures agreed in 2007 in the licensing systems of three countries;
 - Assisting A5 countries to address data discrepancies between A7 and CP data;
 - A report on the MB phase-out project in Guatemala.

For part IV: None

For part V:

- Additional information requested.

For parts VI-IX: None

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

For parts I to III - status of compliance, compliance issues and CP data

- (a) To consider noting:
 - (i) The document on status reports and compliance as contained in UNEP/OzL.Pro/ExCom/73/17; and
 - (ii) Ninety-three (of the 122 that submitted data) submitted 2013 data using the web-based system.
- (b) To consider 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 74th meeting;
 - (ii) Relevant implementing agencies to provide an update by the 74th meeting on the actions taken to include the accelerated HCFC control measures agreed in 2007 in the licensing systems in the following countries: Dominica, Kyrgyzstan and Mauritania; and
 - (iii) The relevant implementing agencies to assist Article 5 countries in addressing data discrepancies as indicated in Table 9 of the present document.

For part IV - HCFC demonstration projects

Demonstration of CO₂ and methyl formate co-blowing technology in XPS foam sector

- (a) To note the final report on the demonstration project for conversion from HCFC-22/HCFC-142b technology to CO₂ with methyl formate co-blowing technology in the manufacture of extruded polystyrene (XPS) foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd. in China, submitted by UNDP, and contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request bilateral and implementing agencies to consider the UNDP report on CO₂ and methyl formate as co-blowing technology in the manufacture of XPS foam, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFCs in XPS foam applications.

Demonstration of HC-290 technology in RAC sector

- (a) To note the final report on the demonstration project for conversion from HCFC-22 to propane at Midea Room Air Conditioner Manufacturer Company, and Guangdong Meizhi Co. in China submitted by UNIDO contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1;
- (b) To request the bilateral and implementing agencies to consider the information contained in the report when assisting Article 5 countries in preparing projects for the phase-out of HCFC-22 in the room air-conditioning manufacturing sector; and
- (c) To request UNIDO to continue monitoring the demonstration project and report on the incremental operating costs of HC-290-based compressor and air-conditioner to the 75th meeting as part of the progress report of the room air-conditioner manufacturing sector plan of the HCFC phase-out management plan for China.

Demonstration of KC-6 technology in solvent sector

- (a) To note the final report on the demonstration project for conversion from HCFC-141b to iso-paraffin and siloxane (KC-6) technology at Zhejiang Kindly Medical Devices Co. Ltd in China submitted by UNDP contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request the bilateral and implementing agencies to consider the information contained in the report when assisting Article 5 countries in preparing projects for the phase-out of HCFC-141b in medical cleaning applications in the solvent sector.

Demonstration of low cost options for the use of hydrocarbon in PU foam sector

- (a) To note the supplementary progress report on the implementation of the demonstration project on low-cost options for the use of hydrocarbons in the manufacture of polyurethane foams submitted by UNDP, and contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request UNDP to submit the final report of the demonstration project to the 74th meeting.

For Part V - The financial audit reports for the halon, CFC production, foam, process agent II, solvent, and CFC refrigeration servicing sectors in China.

- (a) To consider noting, with appreciation, the financial audit reports, work plans and progress reports provided for the CFC production, halon, polyurethane (PU) foam, process agent II, refrigeration servicing, and solvent sectors in China, contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1;
- (b) To consider requesting the Government of China and the relevant bilateral and implementing agencies to:
 - (i) Submit annual progress reports, audit reports, and interest accrued during the implementation of the CFC production, halon, PU foam, process agent II, refrigeration servicing sector, and solvent sector plans, until the completion of all related activities planned no later than 31 December 2018, and
 - (ii) Submit project completion reports of the CFC production, halon, PU foam, process agent II, refrigeration servicing sector, and solvent sector plans to the Executive Committee no later than the first meeting in 2019.

For part VI - National CFC phase-out plans

- (a) To note the return by the 74th meeting of US \$60,000 from the refrigeration servicing sector component of stage I of the HCFC phase-out management plan (HPMP) in the Islamic Republic of Iran that had not been accounted for in the national CFC phase-out plan (IRA/PHA/63/TAS/200), on the understanding that the corresponding activities of the HPMP will be implemented with the Government's own resources.
- (b) To note the audited financial report for the national CFC phase-out plan for the Philippines submitted by UNEP on behalf of the Government of the Philippines contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1;
- (c) To request UNEP to return the balance of US \$15,411 plus agency support costs as soon as possible, and no later than the 74th meeting in line with decision 72/14(d)(i);

- (d) To note that UNEP will submit the project completion report for the project no later than the 74th meeting as required by decision 72/14(d)(ii).

For part VII – MB phase-out project in Guatemala

- (a) To note the progress report on the implementation of the methyl bromide (MB) phase out project in Guatemala submitted by UNIDO on behalf of the Government of Guatemala contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request UNIDO and UNEP to submit to the 74th meeting: a progress report; and a report on any potential risk of non-compliance for 2015.

For Part VIII – ODS waste management and disposal

ODS disposal in Indonesia and the Philippines

- (a) To note the reports submitted by the World Bank on ODS disposal projects for Indonesia and the Philippines contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request the bilateral and implementing agencies to consider the information contained in these reports when providing advice to Article 5 countries on ODS waste management and disposal.

ODS waste management in ECA region

- (a) To note the report submitted by UNIDO on the actual amounts of ODS waste collected by substance for the project demonstration of a regional strategy for ODS waste management and disposal in the Europe and Central Asia region in line with decision 69/19(b)(ii) contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To request UNIDO and UNEP to submit the project completion report upon completion of the pilot demonstration project, no later than the first meeting in 2016.

For part IX – Resource mobilisation

- (a) To note the report on resource mobilization for climate co-benefits submitted by UNEP; contained in document UNEP/OzL.Pro/ExCom/73/17/Add.1; and
- (b) To encourage low-volume-consuming countries through the bilateral and implementing agencies to use the guide provided in the report when seeking additional resources for climate co-benefits during the implementation of stage I and future stages of the HCFC phase-out management plans.

7. 2015-2017 business plans

(a) Consolidated business plan of the Multilateral Fund

Document UNEP/OzL.Pro/ExCom/73/18 presents an analysis of the business plans submitted by the bilateral and implementing agencies to the 73rd meeting. It addresses resource allocation, activities required and not required for compliance including the windows for low-GWP alternative demonstration projects and feasibility studies, and standard costs and proposes adjustments based on existing Executive Committee decisions. It addresses the issue over-budgeting with options for further adjusting the budget, policy issues in agency business plans, possible overlaps, 2014 business plan activities that were not submitted in 2014, and how

to address any financial implications of the 2015-2017 replenishment of the Multilateral Fund on the 2015-2017 business plans.

Issues to be addressed:

- The over-programming of activities for the years 2015-2017 based on current budget for the 2012-2014;
- Whether to:
 - Adjust the business plan as proposed by the Secretariat based on previous business planning guidance;
 - Add demonstration projects for low-GWP alternatives to the business with any exceptions related to those activities:
 - To be submitted in 2016;
 - For which no country was identified;
 - For which no ODP value was provided; and/or;
 - For which no business plan letter endorsement was provided;
 - Apply one of the following options to further adjust the business plans:
 - As submitted (Option 1) (no adjustments);
 - As modified by the Secretariat (Option 2) (no further adjustments);
 - Pro-rated to US \$450 million (Option 3);
 - With a maximum 35 per cent reduction based on commitment (Options 4);
 - With a maximum 35 per cent reduction based on funding eligibility (Option 5);
 - With C.E. achieved in stage I of HPMPs (Option 6);
 - Adjust possible overlaps between bilateral and implementing agencies;
 - Add MYA and IS activities from the 2014 business plans that were not submitted or not approved at the 73rd meeting to the 2015-2017 business plan;
- Need to include stage II of the HPMP for Kenya in future business plans;
- How to address the 2015-2017 replenishment of the Multilateral Fund with respect to the 2015-2017 business plan.

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

- (a) To note:
 - (i) The consolidated 2015-2017 business plan of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/73/18;
 - (ii) That any financial adjustments resulting from the replenishment of the Multilateral Fund for the 2015-2017 triennium would be addressed in the financial planning document to be submitted to the 74th meeting;
- (b) To decide whether:
 - (i) To adjust the business plan as proposed by the Secretariat;
 - (ii) To further adjust the business plan during the discussion by the Executive Committee and/or during the presentation of the business plan by bilateral and implementing agencies by:
 - a. Adding those multi-year agreement and institutional strengthening activities from the 2014 business plans that were not submitted or not approved at the 73rd meeting to the 2015 business plans as indicated in

the relevant recommendation in document UNEP/OzL.Pro/ExCom/73/5 on agenda item 5(b) on 2014-2016 business plans and cash flow availability;

- b. Adding those demonstration projects for low global-warming-potential (GWP) alternatives and technical assistance for feasibility studies in district cooling indicated in Table 3 of document UNEP/OzL.Pro/ExCom/73/18 with the understanding that the maximum levels of funding of decision 72/40(b) and (c) would be applied to submissions to the 74th meeting but to remove those activities:
 - i. To be submitted in 2016;
 - ii. For which no country was indicated;
 - iii. For which no ODP value was provided; and/or;
 - iv. For which no business plan letter endorsement was provided;
 - c. Applying option [1-6] as contained in Table 5 of document UNEP/OzL.Pro/ExCom/73/18;
- (c) To request bilateral and implementing agencies to include stage II of HCFC phase-out management plan (HPMP) activities not included in the business plans for Kenya;
- (d) To request the concerned bilateral and implementing agencies during the 74th meeting to report on the resolution of overlaps identified in paragraph 28 of document UNEP/OzL.Pro/ExCom/73/18; and
- (e) To endorse the consolidated 2015-2017 business plan of the Multilateral Fund, as adjusted by the Secretariat [and the Executive Committee], while noting that endorsement denotes neither approval of the projects identified therein nor their funding or tonnage levels.

(b) Business plans of the bilateral and implementing agencies

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/73/19 presents the business plans for bilateral agencies submitted to the 73rd meeting. The Governments of Germany, Italy, Japan and Poland submitted business plans for the years 2015-2017.

Issues to be addressed:

- Proposed adjustments by the Secretariat would still result in Germany possibly exceeding the 20 per cent of its contributions for the period 2015-2017 based on its contributions for the period 2012-2014.

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

- (a) The 2015-2017 business plans of bilateral agencies submitted by Germany, Italy, Japan and Poland as addressed in document UNEP/OzL.Pro/ExCom/73/19; and
- (b) That Germany's 2015-2017 business plan should be reconsidered in the light of the

bilateral activity allocation in the financial planning for the 2015-2017 triennium.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/73/20 contains a summary of UNDP's planned activities for the phase-out of ODS for the period 2015-2017 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains policy issues raised by UNDP and UNDP's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Two policy issues relate to costs related to stage II of the HPMP for enterprises with low levels of HCFC consumption and the need to complete the guidelines for stage II of HPMPs; and
- Modification to a performance indicator.

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

- (a) Noting the 2015-2017 business plan of UNDP as contained in document UNEP/OzL.Pro/ExCom/73/20; and
- (b) Approving the performance indicators for UNDP as set out in Table 5 of document UNEP/OzL.Pro/ExCom/73/20 while setting a target of 37 for projects/activities approved for individual projects, and 75 for project completion for activities.the ODS alternative mapping study for Nigeria in the amount of US \$128,400 from the 2013 business plan.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/73/21 contains a summary of UNEP'S planned activities for the phase-out of ODS for the period 2015-2017 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains UNEP's business plan performance indicators and recommendations for consideration by the Executive Committee. No policy issues were raised by UNEP in its business plan.

Issues to be addressed:

- Possible additional stage II HPMP activities that were not included in the business plan;
- Activities referenced in UNIDO's business plan for UNEP for low-volume consuming countries that were not included in UNEP's business plan; and
- Modifications to performance indicators.

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

- (a) Noting the 2015-2017 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/73/21;
- (b) Whether to add activities referenced in UNIDO's business plan for stage II of HCFC phase-out management plans in low-volume-consuming countries to UNEP's business plan; and
- (c) Approving the performance indicators for UNEP as set out in Tables 4 and 5 of document UNEP/OzL.Pro/ExCom/73/21 while setting a target of 67 ODP tonnes for ODS phase-out for tranches, and 99 for project completion for activities.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/73/22 contains a summary of UNIDO's planned activities for the phase-out of ODS for the period 2015-2017 and the impact of the adjustments made by the Fund Secretariat based on existing Executive Committee decisions. It also contains policy issues raised by UNIDO, UNIDO's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Whether funding for demonstration projects on alternatives to methyl bromide for quarantine and pre-shipment (QPS) applications might be added to UNIDO's business plan;
- Project preparation activities for district cooling that were withdrawn from the 73rd meeting; and
- Modifications to performance indicators.

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

- (a) Noting the 2015-2017 business plan of UNIDO as contained in document UNEP/OzL.Pro/ExCom/73/22;
- (b) Whether to:
 - (i) Reinstate demonstration projects for avoiding unintended transfer of methyl bromide from non-controlled to controlled used to the business plan of the Multilateral Fund for 2015-2017;
 - (ii) Add the project preparation activities for district cooling projects; and
- (c) Approving the performance indicators for UNIDO as set out in Table 5 of document UNEP/OzL.Pro/ExCom/73/22 while setting a target of 18 for tranches approved, 45 for projects/activities approved for individual projects and 423.8 for ODS phase-out for tranches.

(v) World Bank

Document UNEP/OzL.Pro/ExCom/73/23 contains a summary of the World Bank's planned activities for the phase-out of ODS for the period 2015-2017 and the impact of the Fund Secretariat's adjustments based on existing Executive Committee decisions. It also contains policy issues raised by the World Bank, and the Bank's business plan performance indicators and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Policy issues on the need to fund the closure of HCFC production swing plants; the time between funding and phase-out in the business plans and actual phase-out; and eligible consumption for stage II of HPMPs in the business plans; and
- Modification to a performance indicator.

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

- (a) Noting the 2015-2017 business plan of the World Bank as contained in document UNEP/OzL.Pro/ExCom/73/23; and

- (b) Approving the performance indicators for the World Bank as set out in Table 4 in document UNEP/OzL.Pro/ExCom/73/23 while setting a target of five projects/activities approved for individual projects, 3,224.3 for ODS phase-out for tranches, and 13 for project completion.

8. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/73/24 contains four sections: An analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 73rd 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 institutional strengthening renewal requests and requests for project preparation funding for stage II of HPMPs submitted to the 73rd meeting, follow up to decision 72/17 on retrofits of existing refrigeration equipment to flammable refrigerants and release of funds associated to tranches approved at the 72nd meeting pending the submission of a verification report. The investment projects recommended for individual consideration are included in a list in agenda item 8(f).

Issues to be addressed:

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

Action expected from the Executive Committee:

Projects and activities submitted for blanket approval

The Executive Committee may wish:

- (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 noting that the agreements between the Governments of Gabon and Lesotho, and the Executive Committee had been updated based on the established HCFC baseline for compliance, and that for the Sudan to reflect the change in support costs owing to the new administrative cost regime¹; 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 stage II of an HPMP with stage I currently ongoing

The Executive Committee may wish:

- (a) To note the draft Agreement prepared for stage II of the HCFC phase-out management plan (HPMP) for Mexico as contained in UNEP/OzL.Pro/ExCom/73/43;

¹ The Agreement between the Government of Mexico and the Executive Committee for stage I of the HPMP would be changed to reflect a different consumption target for 2018 if stage II of the HPMP for Mexico is approved at the 73rd meeting.

- (b) To request bilateral and implementing agencies to use the Agreement for stage II of the HPMP for Mexico as a reference for stage II of HPMPs, noting that the Agreement has been prepared prior to the conclusion of the ongoing discussions on the criteria for funding HCFC phase-out in the consumption sector for stage II of and the 20 per cent disbursement threshold; and
- (c) To request the Secretariat to review the standard Agreement once discussions on criteria for funding HCFC phase-out in the consumption sector for stage II and 20 per cent disbursement threshold have been completed.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/73/25 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. It cross-references relevant meeting documents that include a discussion on the bilateral requests and contains the recommendations on the year of assignment for bilateral cooperation.

Issues to be addressed:

- Whether or not to approve the request for the Government of Germany's components for the project preparation for the HCFC phase-out management plan/HCFC phase-out investment activities (stage II) for the extruded polystyrene (XPS) foam sector and the servicing sector and enabling programme related to stage II of the HPMP for China;
- Whether or not to approve the request for the Government of Japan's components for the project preparation for the HCFC phase-out management plan for the servicing sector and enabling programme related to stage II of the HPMP for China;
- 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:

- (a) To approve the request for the Government of Germany's components for the project preparation for the HCFC phase-out management plan/HCFC phase-out investment activities (stage II) for the extruded polystyrene (XPS) foam sector at the funding level of US \$72,000, plus agency support costs of US \$9,360; and the servicing sector and enabling programme at the funding level of US \$57,000, plus agency support costs of US \$7,410 for the Government of Germany.
- (b) To approve the request for the Government of Japan's component for the project preparation for the HCFC phase-out management plans (stage II) for the servicing sector and enabling programme at the funding level of US \$35,000 plus agency support costs of US \$4,550 for the Government of Japan.
- (c) To request the Treasurer to offset the costs of the bilateral project approved at the 73rd meeting as follows:
 - (i) US \$50,835 (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;

- (ii) US \$XX (including agency fees) against the balance of Italy's bilateral contribution for 2014; and
- (iii) US \$XX (including agency fees) against the balance of Japan's bilateral contribution for 2014.

(c) Amendments to work programmes for 2014

(i) UNDP

Document UNEP/OzL.Pro/ExCom/73/26 contains 15 activities for 11 countries submitted by UNDP including six requests for institutional strengthening renewal projects, six requests for the preparation of stage II of HPMPs and three requests for technical assistance. Twelve of these requests were recommended for blanket approval under agenda item 8(a). The request for the preparation of stage II of HPMP for overarching strategy, sector plans for industrial and commercial refrigeration (ICR) sector and solvent sector for China were recommended for individual consideration.

Issues to be addressed:

- Whether or not to approve the requests for project preparation for the overarching strategy and the ICR and solvent sector plans related to stage II of the HPMP for China.

Action expected from the Executive Committee: The Executive Committee may wish to approve the request for UNDP for the project preparation for the HCFC phase-out management plan/HCFC phase-out investment activities (stage II) for China as follow: overarching strategy at the level of funding of US \$289,750, plus agency support costs of US \$20,283; industrial and commercial refrigeration sector at the level of funding of US \$399,000, plus agency support costs of US \$27,930; and the solvent sector at the level of funding of US \$374,220, plus agency support costs of US \$26,195.

(ii) UNEP

Document UNEP/OzL.Pro/ExCom/73/27 contains 40 activities for 39 countries submitted by UNEP including 21 requests for institutional strengthening renewal projects, 10 requests for the preparation of stage II of HPMPs and nine requests for technical assistance. Thirty-nine requests were recommended for blanket approval under agenda item 8(a). The request for the preparation of stage II of HPMP for servicing sector for China is recommended for individual consideration.

Issues to be addressed:

- Whether or not to approve the requests for project preparation for the refrigeration servicing sector and the enabling programme related to stage II of the HPMP for China.

Action expected from the Executive Committee: The Executive Committee may wish to approve the request for UNEP's component for the project preparation for the HCFC phase-out management plan (stage II) for the servicing sector and other enabling activities for China at the level of funding of US \$305,500 plus agency support costs of US \$39,715.

(iii) UNIDO

Documents UNEP/OzL.Pro/ExCom/73/28 and Corr.1 contains 20 activities for 13 countries submitted by UNIDO including three requests for renewal of institutional strengthening project, 15 requests for the preparation of stage II of HPMPs and two requests for technical assistance.

Eighteen requests were recommended for blanket approval under agenda item 8(a). The requests for the preparation of stage II of HPMP for extruded polystyrene (XPS) foam sector and room air-conditioning (RAC) sector for China were recommended for individual consideration.

Issues to be addressed:

- Whether or not to approve the requests for project preparation for the XPS foam and RAC sectors related to stage II of the HPMP for China

Action expected from the Executive Committee: The Executive Committee may wish to approve the request for UNIDO's components for the project preparation for the HCFC phase-out investment activities for China (stage II) for the extruded polystyrene foam sector at the level of funding of US \$308,050, plus agency support costs of US \$21,564; and the room air-conditioning sector at the level of funding US \$385,550, plus agency support costs of US \$26,999.

(iv) World Bank

Document UNEP/OzL.Pro/ExCom/73/29 contains five activities for three countries submitted by the World Bank including one request for renewal of institutional strengthening project and four requests for the preparation of stage II of HPMPs. Two requests were recommended for blanket approval under agenda item 8(a). The requests for the preparation of stage II of HPMP for polyurethane (PU) foam sector and project preparation for stage II of the HCFC production sector phase-out management plan (HPPMP) for China were recommended for individual consideration.

Issues to be addressed:

- Whether or not to approve the requests for project preparation for the PU foam sector related to stage II of the HPMP and project preparation for stage II of HPPMP for China.

Action expected from the Executive Committee: The Executive Committee may wish to approve the requests for the World Bank for the project preparation for:

- (a) The HCFC phase-out investment activities (stage II) for the polyurethane foam sector for China at the level of funding of US \$412,500 plus agency support costs of US \$28,875; and
- (b) The project preparation for stage II of the HCFC production phase-out management plan for China at the level of funding of US \$349,360, plus agency support costs of US \$24,455.

(d) UNEP's Compliance Assistance Programme (CAP) budget for 2015

Document UNEP/OzL.Pro/ExCom/73/30 contains UNEP's Compliance Assistance Programme (CAP) for 2015. The submission includes the 2014 CAP progress report, budget utilization in 2013, summary of the proposed 2015 CAP and the comments and recommendations of the Secretariat.

Issues to be addressed: None

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

- (a) Approving the UNEP's Compliance Assistance Programme (CAP) budget for 2015 at the amount of US \$9,459,000 plus agency support costs of 8 per cent, amounting to US \$756,720 as contained in Annex I of document UNEP/OzL.Pro/ExCom/73/30; and

- (b) Requesting UNEP, in future submissions of the CAP budget, to continue:
- (i) To provide detailed information on the activities for which the global funds would be used;
 - (ii) To extend the prioritisation of funding between CAP budget, lines so as to accommodate changing priorities, and to provide details on the reallocations made in its budget pursuant to decisions 47/24 and 50/26; and
 - (iii) To report on the current staff post levels and informing the Executive Committee of any changes thereto, particularly in respect to any increased budget allocations.

(e) 2015 core unit costs for UNDP, UNIDO and the World Bank

Document UNEP/OzL.Pro/ExCom/73/31 contains information on actual administrative costs for 2007-2013 and estimated costs for 2014 and their associated approved budgets. It also contains requests for proposed 2015 core unit costs and an assessment of the extent to which resources available for total administrative costs in 2015 could cover expected 2015 costs.

Issues to be addressed:

- Requests for approval of core unit costs for UNDP and UNIDO with a 0.7 per cent increase, in line with decision 67/15, over the 2014 budget, and the World Bank with the same level of request for 2015 as was approved for 2014.

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

- (a) Noting:
- (i) The report on 2015 core unit costs for UNDP, UNIDO and the World Bank as presented in document UNEP/OzL.Pro/ExCom/73/31;
 - (ii) With appreciation, that the World Bank's core unit operation was again below its budgeted level and that it would be returning unused balances; and
- (b) Whether to approve the requested core unit budgets for UNDP for US \$2,026,529, UNIDO for US \$2,026,529, and the World Bank for US \$1,725,000.

(f) Investment projects

Document UNEP/OzL.Pro/ExCom/73/24 contains a list of projects for individual consideration (see table below). HPMP tranches of 13 countries and two methyl bromide projects 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.

Country	Project	Agency	ExCom	Issue
ODS disposal				
Lebanon	Pilot demonstration project on ODS waste management and disposal	UNIDO	73/41	All technical and cost issues resolved, for individual consideration in line with decision 58/19
Methyl bromide production sector				
China	Sector plan for the phase out of methyl bromide production (phase IV)	UNIDO	73/35	Use of funds for a study in the MB consumption sector as well as funds for registration that are not incremental costs
HPMP stage I				
Democratic People's Republic of Korea (the)	HCFC phase-out management plan stage I - first tranche	UNIDO/UNEP	73/37	Non-compliance with HCFC consumption and production targets in 2013 UN Security Council sanctions Methods of disbursement and monitoring
HPMP stage II				
Mexico	HCFC phase-out management plan (stage II, first tranche)	UNIDO/Germany/Italy/UNEP	73/43	Stage II of the HPMP
HPMP tranche request				
China	HCFC phase-out management plan stage I – fourth tranche	Japan/UNDP/UNEP/UNIDO/the World Bank	73/35	Above US \$5 million No funding recommended for servicing sector
Mozambique	HCFC phase-out management plan stage I - second tranche	UNEP/UNIDO	73/44	Change 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 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.

9. Review of Administrative cost regime for the 2015-2017 triennium (decision 71/45)

Document UNEP/OzL.Pro/ExCom/73/51 contains a review of the administrative cost regime as mandated in decision 71/45(b). The document describes the functioning of the administrative cost regime adopted at its 67th meeting for the 2012-2014 triennium with respect to the core unit, other administrative costs and UNEP's administrative costs including CAP. It provides a comparison between administrative cost regimes and the impact on the historical average administrative costs as historically assessed with alternative assessments based on expenditures against project delivery and disbursements on the basis of expenditures against number of project under implementation. It further considers administrative costs using the methodology developed under a previous independent assessment of administrative costs by PricewaterhouseCoopers and a methodology proposed by UNEP to account for administrative costs in the CAP budget. It also provides options for the review of administrative costs at the last meeting of 2017.

Issues to be addressed:

- Increase in the historic average administrative costs for the 2012-2014 under all alternative scenarios that would have been a reduction if all projects in the business plan had been submitted in 2014;

- Whether to maintain the administrative cost regime adopted at the 71st meeting for the 2015-2017 triennium; and
- Whether the Secretariat, an independent consultant, or a consulting accounting firm should conduct the next review of the administrative cost regime.

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

- (a) Noting the document on the review of the administrative cost regime for the 2015-2017 triennium (decision 71/45) as presented in document UNEP/OzL.Pro/ExCom/73/51;
- (b) Requesting the Secretariat, in cooperation with the implementing agencies, to further consider reporting for core unit and administrative costs and possible format changes, in a paper to be presented to the 74th meeting, for application in future annual reviews of such costs;
- (c) Whether to continue to apply the existing administrative cost regime for the bilateral and implementing agencies during the 2015–2017 triennium; and
- (d) Requesting a review of the administrative cost regime and its core unit funding budget at the last meeting of the 2015–2017 triennium according to one of the options mentioned in paragraph 15 of document UNEP/OzL.Pro/ExCom/73/51.

10. Disbursement of funds for the HCFC phase-out management plan for China (decision 72/38)

Document UNEP/OzL.Pro/ExCom/73/52 addresses to information provided by the implementing agencies with respect to the advantages and disadvantages of each of the options taking into account the specifics of the projects under the responsibility of the agencies for the HPMP for China per decision 72/38.

Issues to be addressed:

- Need for implementing agencies to monitor the disbursement of funds during stage I; and
- Need for a description of the disbursement modality related milestones for stage II of the HPMP.

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 (HPMP) for China (decision 72/38) as contained in document UNEP/OzL.Pro/ExCom/73/52;
- (b) To request implementing agencies:
 - (i) To continue monitoring the disbursement of the approved funds during stage I of the HPMP for China; and
 - (ii) To include, at the time of the submission of stage II of the HPMP for China for consideration by the Executive Committee, their respective disbursement modality agreed with the Government of China along with the specific milestones in order to allow the disbursement of funds to the Government of China closer to the time when they would be needed.

11. Draft criteria for funding HCFC phase-out in the consumption sector for stage II of HCFC phase-out management plans (decision 72/39)

Document UNEP/OzL.Pro/ExCom/73/53 contains an analysis of the additional information submitted by members of the Executive Committee pursuant to decision 72/39. It also includes a further analysis of information as requested by some Executive Committee members, and the Secretariat's observations for each aspect of the funding criteria. The document concludes with the draft criteria for funding HCFC phase-out in the consumption sector for stage II of HPMPs updated with the additional information submitted by Executive Committee members.

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/73/53.

12. Report on the Multilateral Fund Climate Impact Indicator (decision 69/23)

Document UNEP/OzL.Pro/ExCom/73/54 presents the report on the progress made and experience gained in applying the Multilateral Fund Climate Impact Indicator (MCII) to project submissions and the result of an independent review.

Issues to be addressed: None

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

- (a) To note the Secretariat's report on the fully-developed Multilateral Fund Climate Impact Indicator (MCII) (decision 69/23) contained in document UNEP/OzL.Pro/ExCom/73/54; and
- (b) To note that the Secretariat will continue to calculate the impact on the climate of investment projects in the refrigeration and air-conditioning manufacturing sectors applying the MCII model, and for investment projects in all other manufacturing sectors to apply the methodologies described in paragraph 14 of document UNEP/OzL.Pro/ExCom/73/54.

13. Accounts of the Multilateral Fund

(a) Final 2013 accounts

Document UNEP/OzL.Pro/ExCom/73/55 provides a report on the accounts of the implementing agencies for the year of 2013. It also provides information on the results of the audit by the United Nations Board of Auditors for the biennium ending on 31 December 2013.

Issues to be addressed: None

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

- (a) To note:
 - (i) The final financial statements of the Multilateral Fund as at 31 December 2013 contained in document UNEP/OzL.Pro/ExCom/73/55;

- (ii) That UNEP has received the United Nations Board of Auditors report for the biennium ended 31 December 2013 and that there were no major issues of relevance to the Multilateral Fund;
 - (iii) That the issue of fund transfers from the Treasurer to the implementing agencies and the information on the UNEP-wide standard on cash advances and the 20 per cent disbursement threshold for tranches of HCFC phase-out management plans to show clearly the relationship between the two issues, together with further information on the criteria used for the placement of funds to ensure risk reduction and the maximization of interest accrual requested under decision 72/42(b)(ii) and (iii), is presented in the Report on the Multilateral Fund on the issues of fund transfers to implementing agencies, fund surplus, interest earnings, investments and the efficient utilization of resources (UNEP/OzL.Pro/ExCom/73/57); and
- (b) To request the Treasurer to record in the 2014 accounts of the Multilateral Fund the differences between the implementing agencies' provisional 2013 financial accounts and final 2013 accounts as reflected in Tables 1 and 2 of document UNEP/OzL.Pro/ExCom/73/55.

(b) Reconciliation of the 2013 accounts

Document UNEP/OzL.Pro/ExCom/73/56 presents the reconciliation of information from the 2013 accounts with the 2013 Progress Report financial data of the implementing agencies in their annual progress and financial report as at 31 December 2013 and the Secretariat's Inventory of Approved Projects database. It also provides the Secretariat's recommendations.

Issues to be addressed: None

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

- (a) To note the reconciliation of the 2013 accounts, as presented in document UNEP/OzL.Pro/ExCom/73/56;
- (b) To request UNDP to adjust the support costs approved in its progress report by US \$144;
- (c) To request the Treasurer:
 - (i) To withhold from its future transfers to UNDP an amount of US \$205,719 representing the additional interest income reported by UNDP in its provisional financial statement but not in its final financial statement, and to reflect this amount as a prior year adjustment in UNDP's 2014 accounts;
 - (ii) To record the decrease in expenditure in the amount of US \$157,470 between UNDP's provisional and final financial statements in 2014;
 - (iii) To withhold from its future transfers to UNIDO an amount of US \$17,064 representing an additional interest income reported by UNIDO in its provisional statements but not in its final statements, and to reflect this amount as a prior year adjustment in UNIDO's 2014 accounts;
- (d) To note the 2013 outstanding reconciling items as follows:
 - (i) US \$16 in income and US \$57 in expenditure between UNIDO's progress report and final accounts;

- (ii) US \$322,396 in income and US \$1,578 in expenditure between UNEP's progress report and final accounts; and
- (iii) US \$8 in income between the World Bank's progress report and final accounts;
- (e) To note the standing reconciling items as follows:
 - (i) UNDP for unspecified projects at the amounts of US \$68,300 and US \$29,054; and
 - (ii) World Bank for the following projects implementing with other bilateral agencies where applicable:
 - a. The Government of the Philippines' refund of US \$28,434 representing an undocumented balance to the ODS project special account, which is a new item;
 - b. Thailand chiller project (THA/REF/26/INV/104) at the amount of US \$1,198,946;
 - c. Japan bilateral (THA/PHA/68/TAS/158) at the amount of US \$342,350, which is a new item;
 - d. Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
 - e. United States of America bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000; and
 - f. United States of America bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000.

(c) Fund transfers from the Treasurer to the implementing agencies (decision 72/42(b)(ii) and (iii))

Document UNEP/OzL.Pro/ExCom/73/57 presents the Treasurer's report pursuant to decision 72/42. The document contains an historical background; discussions of the relevant agreements; the accumulation of a surplus; pros and cons of full or partial transfer of funds to the implementation agencies; UNEP-wide standard on cash advances and the 20 per cent disbursement threshold for tranches; investment policies of the implementing agencies; a review of interest earnings; and recommendations.

Issues to be addressed:

- Average surplus fund balance was often 2:1;
- Relationship between 20 per cent disbursement threshold and the UNEP-wide standard cash advance;
- Advantages and disadvantages of partial fund transfer instead of the current mechanism of full fund transfer in advance after approval; and
- Review of any change in the fund transfer mechanism after a two-year trial period.

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

- (a) Note the report on Fund Transfers from the Treasurer to the Implementing Agencies (decision 72/42(b)(ii) and (iii)) contained in document UNEP/OzL.Pro/ExCom/73/57;

- (b) To commend and encourage the Secretariat to continue with its constant quest for ensuring that all possible measures of efficiently using the funds of the Multilateral Fund are deployed at all times as this contributes a lot to maximizing the achievements of the Multilateral Fund;
- (c) To review the advantages and disadvantages of either the transferring full funds to the implementing agencies for the approvals it grants or the transferring to the implementing agencies partial funds based on their periodic needs and decide which option it wishes to go forward with;
- (d) To consider, in case the Executive Committee decides to move ahead with the partial transfer of funds as serving the interests of the Multilateral Fund best, introducing it for an initial period of say two years and at the end of which an evaluation on its feasibility of going on with it would be made for its decision;
- (e) To note that interest earnings are a product of the implementing agencies prudence in their management of the resources of the Multilateral Fund and that higher realizations tend to be during the times the global investment returns are good;
- (f) To note the lack of comparable relationship between the 20 per cent disbursement threshold for HPMP tranches and the UNEP-wide standard cash advance guidance except for the underlying intention of both being intended to prudently manage the resources for projects implementation. But the UNEP guidance is targeted to specifically project activities by executing agencies and not to implementing agencies managing a portfolio of projects; and
- (g) To note that although there have also been other times when the Multilateral Fund experienced high ratios of 3:1 and above, of the surplus fund balance relative to the expenditures in the year, for a lot more years the average of this ratio averaged at about 2:1.

14. Approved 2014, 2015 and 2016 and proposed 2017 budgets of the Fund Secretariat

Document UNEP/OzL.Pro/ExCom/73/58 contains the approved 2014, 2015 and 2016 and proposed 2017 budgets of the Fund Secretariat submitted for consideration by the Executive Committee at its 73rd meeting. The document includes a foreseen fund transfer between budget lines of the approved 2014 budget; proposed 2017 budget; the budget for meetings of the Executive Committee; and recommendations.

Issues to be addressed: None

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

- (a) Taking note of the approved 2014, 2015, and 2016 and proposed 2017 budgets of the Fund Secretariat contained in document UNEP/OzL.Pro/ExCom/73/58;
- (b) Authorizing the Secretariat, to reallocate a sum of US \$118,750 of the approved 2014 budget from budget lines (BLs) 1200, 1600, and 3301 to BLs 1333, 1334 and 3302 as indicated in Table 2 to accommodate the additional cost of having the 73rd meeting of the Executive Committee in Paris, noting that the proposed transfer among BLs is above the 20 per cent limit; and
- (c) Approving the proposed staff and operational costs of the 2017 budget totalling US \$7,190,229 based on a two meetings per year scenario.

15. Review of the operation of the Executive Committee (decision 70/23(d))

Document UNEP/OzL.Pro/ExCom/73/59 presents the main findings of the Secretariat's review of the two meetings per year trial in 2014. The analysis is based on the experience of the first meeting of 2014 (72nd meeting) and the preparations for the last meeting in 2014 (73rd meeting) and includes feedback received from the implementing agencies at the Inter-agency coordination meeting held in September 2014.

Issues to be addressed:

- Whether to continue to hold two Executive Committee meetings in 2015 and beyond with the conditions set out in the recommendation.

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

- (a) Noting the review of the operation of the Executive Committee prepared pursuant to decision 70/23(d) contained in document UNEP/OzL.Pro/ExCom/73/59;
- (b) Agreeing to continue convening two meetings of the Executive Committee from 2015 onwards, preferably in mid-June for the first meeting, and early December for the last meeting, in line with decision 70/23 amended as follows:
 - (i) The three-year business plan of the Multilateral Fund would be submitted to the last meeting of the year;
 - (iii) A document entitled "Country programme data and prospects for compliance" would be submitted to the first and last meetings of the year;
 - (iii) With regard to progress and financial reports;
 - a. Bilateral and implementing agencies would be requested to submit their annual progress and financial reports to the Secretariat by 15 April of each year;
 - b. The Executive Committee would consider the consolidated progress report and the relevant progress reports of the bilateral and implementing agencies at the first meeting of the year;
 - (iv) The Executive Committee would agree the composition of the Sub-group on the production sector no later than 6 weeks prior to the first meeting of the year by means of an exchange of letters between the Chair and members of the Executive Committee.
- (c) Inviting bilateral and implementing agencies to submit projects proposals in advance of the prescribed deadlines wherever possible in order to facilitate their timely review by the Secretariat; and
- (d) Reviewing the two meetings per year scenario for Executive Committee meetings at the first meeting of the Executive Committee in 2017.

16. Draft report of the Executive Committee to the Twenty-Sixth Meeting of the Parties to the Montreal Protocol

Document UNEP/OzL.Pro/ExCom/73/60 contains the draft report of the Executive Committee to the Twenty-six Meeting of the Parties, summarizing the most important decisions taken by the Committee at its 71st and 72nd meetings.

Issues to be addressed:

- Since the reporting period also includes the 73rd meeting, the report will need to be updated immediately after the Report of the 73rd meeting of the Executive Committee is finalized.

Action expected from the Executive Committee: After considering the draft report, the Executive Committee may wish to authorize the Secretariat to finalize the report in the light of the discussions held and decisions taken at the 73rd meeting of the Executive Committee, as well as any comments made on this item by Executive Committee members.

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

Document UNEP/OzL.Pro/ExCom/73/61 will be issued during the 73rd meeting and it will provide a report of the meeting of the Production Sector Sub-group to take place in the margins of the Meeting. The document will contain an account of the Sub-group's consideration of a provisional agenda; a draft decision for the HCFC Production Sector guidelines; remaining information from the 2013 progress report and 2014 annual plan for the HPPMP in China; the 2013 verification report of the HCFC productions; the Addendum to the HPPMP in China; and format for submission of annual implementation plans and projects reports for an HPPMP.

18. Other matters

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

19. Adoption of the report

The Executive Committee will have in front of it the draft report of the 73rd meeting for its consideration and adoption.

20. Closure of the meeting

The meeting is expected to be closed on Thursday, 13 November 2014.
