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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Seventy-third Meeting
Paris, 9-13 November 2014

BILATERAL COOPERATION

The Fund Secretariat received the following request for bilateral cooperation:

PROJECT TITLE	BILATERAL AGENCY
Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme) in China	Germany
Preparation for HCFC phase-out investment activities (stage II) (extruded polystyrene foam sector) in China	Germany
HCFC phase-out management plan (stage II, first tranche) (HC demonstration and training) in Mexico	Germany
Verification report for stage I of HCFC phase-out management plan in Bolivia (Plurinational State of)	Germany
Verification report for stage I of HCFC phase-out management plan in Lesotho	Germany
Verification report for stage I of HCFC phase-out management plan in Namibia	Germany
Verification report for stage I of HCFC phase-out management plan in Papua New Guinea	Germany
HCFC phase-out management plan (stage I, second tranche) in Lesotho	Germany
HCFC phase-out management plan (stage II, first tranche) (reclamation of HCFC refrigerants) in Mexico	Italy
Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme) in China	Japan

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

1. This document 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 recommendation on the year of assignment for bilateral cooperation.

Overview

2. A total of ten projects for bilateral cooperation with a value of US \$1,081,831 (including agency fees) has been submitted to the 73rd meeting as shown in Table 1.

Table 1: Projects for bilateral cooperation, submitted to the 73rd meeting

Bilateral Agency	Amount Requested (US\$)*	Number of Projects
Germany	724,525	8
Italy	317,756	1
Japan	39,550	1
Total	1,081,831	10

* Including agency support costs

Request from the Government of Germany

3. Table 2 provides a summary of the requests for bilateral co-operation from the Government of Germany. The value of Germany's request (US \$724,525) combined with the amount approved in 2012-2014 exceeds the 20 per cent of Germany's 2012-2014 bilateral contribution of US \$8,182,837 by US \$673,690 as 100 per cent of 2012 and 2013 and part of 2014 Germany's allocations is utilized. Since the year 2014 is the last of the 2012-2014 triennium, the maximum amount to be approved in the bilateral assistance programme for Germany at the 73rd meeting should not exceed that of US \$50,835.

Table 2: Projects submitted by the Government of Germany

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme)	China	57,500	(*)
Preparation for HCFC phase-out investment activities (stage II) (extruded polystyrene foam sector)	China	72,000	(*)
HCFC phase-out management plan (stage II, first tranche) (HC demonstration and training)	Mexico	325,000	(**)
Verification report for stage I of HCFC phase-out management plan	Bolivia (Plurinational State of)	30,000	30,000
Verification report for stage I of HCFC phase-out management plan	Lesotho	30,000	30,000
Verification report for stage I of HCFC phase-out management plan	Namibia	30,000	30,000
Verification report for stage I of HCFC phase-out management plan	Papua New Guinea	30,000	30,000
HCFC phase-out management plan (stage I, second tranche)	Lesotho	68,000	(***)

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Agency support cost		82,025	15,600
TOTAL		724,525	135,600

(*) Individual consideration

(**) UNEP/OzL.Pro/ExCom/73/43

(***) UNEP/OzL.Pro/ExCom/73/42

China: Preparation for HCFC phase-out investment activities (stage II) (extruded polystyrene foam sector) (US \$72,000)

China: Preparation of a HCFC phase-out management plan (stage II) (servicing sector and enabling component) (US \$57,500)

Project description

4. In line with relevant information on the request for preparation of stage II of the HCFC phase-out management plan (HPMP) for China presented in UNDP's work programme amendments for 2014¹, the Government of Germany submitted a request for project preparation of investment activities related to stage II of the HPMP for the extruded polystyrene (XPS) foam sector in China at a cost of US \$72,000, plus agency support costs of US \$9,360. This is in addition to what is being sought by UNIDO as lead implementing agency for the XPS foam sector.

5. It further submitted a request for US \$57,500, plus agency support costs of US \$7,475, as part of the project preparation for the refrigeration servicing sector and enabling programme related to stage II of the HPMP of China.

6. Details of project preparation activities for the XPS foam and the servicing sector are contained in the 2014 work programme amendments of UNIDO² and UNEP³, respectively.

Fund Secretariat's comments

7. The Secretariat noted that these requests are in line with the guidelines for funding preparation of stage II of the HPMPs for Article 5 countries contained in decision 71/42, and the additional requirements in decision 72/18.

Fund Secretariat's recommendation

8. The Executive Committee may wish 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.

¹ UNEP/OzL.Pro/ExCom/73/26

² UNEP/OzL.Pro/ExCom/73/28

³ UNEP/OzL.Pro/ExCom/73/27

Mexico: HCFC phase-out management plan (stage II, first tranche) (HC demonstration and training) (US \$325,000)

9. The comments and recommendations of the Secretariat are found in document UNEP/OzL.Pro/ExCom/73/43.

Bolivia (Plurinational State of): Verification report for stage I of HPMP (US \$30,000)

Lesotho: Verification report for stage I of HPMP (US \$30,000)

Namibia: Verification report for stage I of HPMP (US \$30,000)

Papua New Guinea: Verification report for stage I of HPMP (US \$30,000)

Project description

10. The Executive Committee in decision 72/22 *inter alia*, requested relevant bilateral and implementing agencies to include in their respective work programme amendments for submission to the 73rd meeting, funding for verification reports for stage I of the HPMPs of Bolivia (Plurinational State of), Lesotho, Namibia and Papua New Guinea where the Government of Germany is the lead bilateral agency.

Secretariat's comments

11. The Secretariat noted that the funding requested by the Government of Germany for each of the countries was consistent with the funds approved by the Executive Committee for similar verifications in previous meetings. It further noted that verification reports for these countries have to be submitted at least 60 days prior to the applicable Executive Committee meeting where future tranche requests for their HPMP are being sought.

Secretariat's recommendation

12. The Secretariat recommends blanket approval for the verification reports for stage I of HCFC phase-out management plans (HPMPs) for Bolivia (Plurinational State of), Lesotho, Namibia and Papua New Guinea at the level of funding indicated in Table 1, on the understanding that the verification reports should be submitted at least 60 days prior to the applicable Executive Committee meetings where the next funding tranche requests for their HPMPs are being sought in accordance with paragraph 5(b) of the Agreement between the countries concerned and the Executive Committee for the reduction of consumption of HCFCs.

Lesotho: HCFC phase-out management plan (stage I, second tranche) (US \$68,000)

13. The comments and recommendations of the Secretariat are found in document UNEP/OzL.Pro/ExCom/73/42.

Request from the Government of Italy

14. Table 3 provides a summary of the request for bilateral co-operation from the Government of Italy. The value of this request (US \$317,756) does not exceed the 20 per cent of Italy's 2014 bilateral contribution (US \$1,700,590).

Table 3: Project submitted by the Government of Italy

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
HCFC phase-out management plan (stage II, first tranche) (reclamation of HCFC refrigerants)	Mexico	281,200	(*)
Agency support costs		36,556	
Total		317,756	

(*) UNEP/OzL.Pro/ExCom/73/43

Mexico: HCFC phase-out management plan (stage II, first tranche) (reclamation of HCFC refrigerants (US \$281,200))

15. The comments and recommendations of the Secretariat are found in document UNEP/OzL.Pro/ExCom/73/43.

Request from the Government of Japan

16. Table 4 provides a summary of the request for bilateral co-operation from the Government of Japan. The value of this request (US \$39,550) does not exceed the 20 per cent of Japan's 2014 bilateral contribution (US \$4,262,532).

Table 4: Project submitted by the Government of Japan

Project Title	Country	Amount Requested (US\$)	Amount Recommended (US\$)
Preparation of a HCFC phase-out management plan (stage II) (refrigeration servicing sector and enabling programme)	China	35,000	(*)
Agency support costs		4,550	
Total		39,550	

(*) Individual consideration

China: Preparation of a HCFC phase-out management plan (stage II) (servicing sector and enabling component) (US \$35,000)

Project description

17. In line with relevant information on the request for preparation of stage II of the HPMP for China presented in UNDP work programme amendments for 2014⁴, the Government of Japan submitted a request for US \$35,000 plus agency support costs of US \$4,550 as part of the project preparation for the refrigeration servicing sector and enabling programme related to stage II of the HPMP of China, where UNEP is the lead implementing agency.

18. Details of the activities to be undertaken for project preparation for the servicing sector are contained in the work programme amendments for 2014 of UNEP.⁵

⁴ UNEP/OzL.Pro/ExCom/73/26

⁵ UNEP/OzL.Pro/ExCom/73/27

Fund Secretariat's comments

19. The Secretariat noted that this request is in line with the guidelines for funding preparation of stage II of the HPMPs for Article 5 countries contained in decision 71/42, and the additional requirements in decision 72/18.

Fund Secretariat's recommendation

20. The Executive Committee may wish 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.

GENERAL RECOMMENDATION

21. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral project approved at the 73rd meeting as follows:

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