



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/81/15*
31 May 2018

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

BILATERAL COOPERATION

1. This document provides an overview of requests from bilateral agencies, and whether these are eligible in light of the maximum level of bilateral cooperation available for 2018. 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 13 projects for bilateral cooperation with a value of US \$2,894,312 have been submitted to the 81st meeting as shown in Table 1.

Table 1. Projects for bilateral cooperation submitted to the 81st meeting

Agency	Country	Project title	Funding requested (US\$)	Support costs (US\$)	Amount recommended (US\$)
Canada	Bangladesh	Enabling activities for HFC phase-down	75,000	5,250	80,250
Canada	Cuba	Enabling activities for HFC phase-down	75,000	5,250	80,250
Canada	Dominican Republic	Conversion from HFC-134a and R-404A to HC-290 in the manufacture of stand alone, self-contained commercial refrigerators at Farco	80,000	10,400	(1)

*re-issued for technical reasons on 1 June 2018

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.

Agency	Country	Project title	Funding requested (US\$)	Support costs (US\$)	Amount recommended (US\$)
Canada	El Salvador	Enabling activities for HFC phase-down	50,000	3,500	53,500
Canada	Mexico	Conversion from HFC-134a to isobutane as refrigerant in the manufacture of domestic refrigerators and of reciprocating compressors from HFC-134a-based to isobutane-based at Mabe Mexico	584,988	74,349	(2)
Canada	Panama	Enabling activities for HFC phase-down	50,000	3,500	53,500
Subtotal			914,988	102,249	267,500
Germany	China	Stage II of the HCFC phase-out management plan (HPMP) (extruded polystyrene (XPS) foam sector plan) (second tranche)	3,988	475	4,463
Germany	Colombia	HCFC phase-out management plan (stage II, second tranche)	162,900	20,919	(3)
Germany	Lesotho	Preparation of a HCFC phase-out management plan (stage II)	30,000	3,900	33,900
Subtotal			196,888	25,294	38,363
Italy	Ghana	HCFC phase-out management plan (stage I, fifth tranche)	60,000	7,800	(4)
Italy	Nigeria	HCFC phase-out management plan (stage II, first tranche)	269,025	34,937	(5)
Subtotal			329,025	42,737	
Japan	China	HCFC phase-out management plan (stage II, second tranche) (refrigeration and air-conditioning servicing sector plan and enabling component)	80,000	10,400	(6)
Subtotal			80,000	10,400	
Spain	Mexico	HCFC phase-out management plan (stage II, third tranche)	1,070,000	122,731	(7)
Subtotal			1,070,000	122,731	
Total			2,590,901	303,411	305,863

(1) UNEP/OzL.Pro/ExCom/81/31.

(2) UNEP/OzL.Pro/ExCom/81/45.

(3) UNEP/OzL.Pro/ExCom/81/30.

(4) UNEP/OzL.Pro/ExCom/81/35.

(5) UNEP/OzL.Pro/ExCom/81/47.

(6) UNEP/OzL.Pro/ExCom/81/29.

(7) UNEP/OzL.Pro/ExCom/81/45.

Requests from the Government of Canada

3. The amount of US \$1,017,237 requested by the Government of Canada, does not exceed the 20 per cent allowable 2018 allocation of US \$1,472,267.

Enabling activities for HFC phase-down

Project description

4. In line with decision 79/46, the Government of Canada submitted funding requests for the implementation of enabling activities in four countries as cooperating agency as listed in Table 1. The

detailed proposals are contained in the work programme for 2018 submitted by UNDP¹ as lead implementing agency. The submissions included detailed draft implementation plans and budgets, as well as descriptions of institutional arrangements to support the implementation of these enabling activities.

Secretariat's comment

5. To facilitate the preparation and submission of requests for enabling activities, the Secretariat re-issued the Guide for the submission of enabling activities for HFC phase-down² and presented it to bilateral and implementing agencies at the Inter-agency coordination meeting.³ The Secretariat noted that the submitted requests for enabling activities followed the Guide.

6. The Government of Canada (as bilateral agency), and the four implementing agencies, submitted on behalf of 60 Article 5 countries requests for funding for enabling activities, in line with decision 79/46. In sub-paragraph (e) of the decision, the Committee decided that requests for enabling activities submitted by the 80th meeting would be funded to the extent possible from additional voluntary contributions provided by non-Article 5 Parties. Given the funding modality agreed in decision 79/46(e), the Secretariat has included a list of all the requests for enabling activities submitted to the 81st meeting, indicating funding levels and agencies involved, in the document on the Overview of issues identified during project review.⁴

7. The Secretariat reviewed the requests for enabling activities and concluded that they fulfilled all the requirements of decision 79/46, as noted below:

- (a) Endorsement letters from the Governments of the four Article 5 countries indicating their intent to make best efforts to ratify the Kigali Amendment as early as possible were submitted by UNDP as the lead implementing agency;
- (b) The four project proposals included detailed descriptions of each of the enabling activities, institutional arrangements, cost breakdown and the schedule for implementation; and
- (c) All of the proposals will be implemented in 18 months.

8. The funding requested for each country was consistent with decision 79/46(c), and calculated based on each country's HCFC baseline.

9. The Government of Canada indicated that the funding requested for enabling activities, if approved by the Executive Committee, would be considered as part of their bilateral allocation to the Multilateral Fund.

10. The Secretariat notes that the Government of Canada, was among the 17 non-Article 5 countries that agreed to provide additional contributions⁵ for fast-start support for the implementation of the HFC phase-down in Article 5 countries. The level of additional contribution amounted to US \$1,300,000 for Canada.

Secretariat's recommendation

11. The Secretariat recommends blanket approval for the requests for enabling activities for HFC phase-down for the four Article 5 countries at the level of funding indicated in Table 1 above, in the context

¹ UNEP/OzL.Pro/ExCom/81/16.

² MLF/IACM.2018/1/19.

³ Montreal, 6-8 March 2018.

⁴ UNEP/OzL.Pro/ExCom/81/14.

⁵ UNEP/OzL.Pro/ExCom/81/5.

of its discussion of the funding modality for enabling activities described in the document on Overview of issues identified during project review (UNEP/OzL.Pro/ExCom/81/14).

Requests from the Government of Germany

12. The amount of US \$222,182 requested by the Government of Germany, does not exceed the 20 per cent allowable 2018 allocation of US \$3,220,267.

Stage II of the HPMP for China (XPS foam sector) (balance of the second tranche)

Background

13. At its 80th meeting, the Executive Committee approved projects amounting to US \$1,345,715 (including agency support costs) to be implemented by the Government of Germany. With this approved funding, the Government of Germany exceeded its 20 per cent allowable allocation of US \$8,659,025 for the 2015-2017 triennium by US \$4,463. In this regard, the representative of the Government of Germany at the 80th meeting requested that the excess amount would be allocated to the 81st meeting (i.e. to the 2018-2020 triennium) and that the project in effect would be the second tranche of the XPS foam sector plan of stage II of the HPMP for China. Accordingly, the Government of Germany has submitted to the 81st meeting a request for the remaining balance of the above-mentioned project.

Secretariat's recommendation

14. The Secretariat recommends blanket approval for the request for the remaining balance of the second tranche of the extruded polystyrene foam sector plan of stage II of the HCFC phase-out management plan for China at the level of funding indicated in Table 1 above.

Lesotho: Preparation of stage II of HCFC phase-out management plan

Project description

15. On behalf of the Government of Lesotho, the Government of Germany as the lead implementing agency, has submitted a request for the preparation of the overarching strategy for stage II of the HCFC phase-out management plan (HPMP), as shown in Table 1. The submission included an update on the implementation of stage I of the HPMP, justification for the requested funding, the activities to be implemented and the corresponding budgets.

Secretariat's comments

16. The Secretariat reviewed the project preparation request in line with stage I of the HPMP approved at the 64th meeting to meet the 2020 control measures of the Montreal Protocol⁶, and the guidelines for funding preparation of stage II of the HPMPs for Article 5 countries contained in decision 71/42. Lesotho has an HCFC baseline of 3.5 ODP tonnes, reported consumption of 0.71 ODP tonnes in 2016 under Article 7 of the Montreal Protocol, and consumption of 0.70 ODP tonnes for 2017 under Country Programme data reporting.

17. The third tranche of the HPMP was submitted for consideration of the 80th meeting, which indicated the need to revise the starting point for aggregate reduction in HCFC consumption to 1.54 ODP tonnes (decision 80/69).

⁶ UNEP/OzL.Pro/ExCom/64/38.

18. The Secretariat recognizes that funding for the preparation of stage II of the HPMP is necessary in order to ensure that phase-out activities initiated in stage I are sustained. The request for funding for the overarching strategy for stage II of the HPMP is within the limits set by decision 71/42, based on a revised starting point of 1.54 ODP tonnes. The Secretariat notes that the change in starting point resulted in a reduction in funding of US \$70,000 for the stage I in line with decision 60/44(f)(xii); and that the funding adjustments would be made during the approval of the stage II HPMP for the country.

Secretariat’s recommendation

19. The Secretariat recommends blanket approval of the request of the Government of Germany for project preparation for stage II of the HCFC phase-out management plan for Lesotho at the level of funding shown in Table 1.

Requests from the Government of Italy

20. The amount of US \$371,762 requested by the Government of Italy, does not exceed the 20 per cent allowable 2018 allocation of US \$1,889,100.

Requests from the Government of Japan

21. The amount of US \$90,400 requested by the Government of Japan, does not exceed the 20 per cent allowable 2018 allocation of US \$4,879,033.

Requests from the Government of Spain

22. The amount of US \$1,192,731 requested by the Government of Spain, does not exceed the 20 per cent allowable 2018 allocation of US \$1,231,367.

General recommendation

23. The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 81st meeting as follows:

- (a) US \$XX (including agency fees) against the balance of Canada’s bilateral contribution for 2018;
- (b) US \$XX (including agency fees) against the balance of Germany’s bilateral contribution for 2018;
- (c) US \$XX (including agency fees) against the balance of Italy’s bilateral contribution for 2018;
- (d) US \$XX (including agency fees) against the balance of Japan’s bilateral contribution for 2018; and
- (e) US \$XX (including agency fees) against the balance of Spain’s bilateral contribution for 2018.