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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL

Twenty-first Meeting
Montreal, 18-20 February 1997

**REPORT OF THE TWENTY-FIRST MEETING OF THE EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL**

INTRODUCTION

The Twenty-first Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at Montreal from 18 to 20 February 1997, and a meeting of the Sub-Committee on Project Review was held at the same venue on 17 and 18 February 1997.

The Meeting was attended by representatives of the following countries members of the Executive Committee in accordance with decision VIII/8 of the Eighth Meeting of the Parties to the Montreal Protocol:

- (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Australia, Belgium, Japan, Switzerland, United Kingdom of Great Britain and Northern Ireland (Chairman), and United States of America;
- (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Antigua and Barbuda, China, Costa Rica (Vice-Chairman), India, Peru, Senegal and Zimbabwe.

In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organization (UNIDO), and the World Bank attended the Meeting as observers.

Representatives of the Secretariat of the Convention on Biological Diversity, the Ozone Secretariat and the secretariat of the Global Environment Facility (GEF) were present.

The Meeting was also attended by representatives of the following non-governmental organizations: Alliance for Responsible Atmospheric Policy (ARAP), Friends of the Earth, Greenpeace, State University of New York at Albany, Tufts University, and Université du

Representatives of the United States General Accounting Office also attended the meeting.

The Consultant for the proposed monitoring and evaluation system was also present.

AGENDA ITEM 1: OPENING OF THE MEETING

1. The Meeting was opened at 10 a.m. on Tuesday, 18 February 1997 by Mr. David Turner (United Kingdom), Chairman of the Executive Committee, who welcomed participants, with an especially warm welcome to new Committee members from Antigua and Barbuda, Belgium, China, Costa Rica, Peru, Switzerland and Zimbabwe. He noted that the Committee would have to complete its year's work by September, when the Ninth Meeting of the Parties would be held in Montreal, and suggested that it should set four objectives for itself: (a) to be decisive in its efforts and complete the tasks allotted to it by the Eighth Meeting of the Parties to the Montreal Protocol; (b) to move forward on such issues as sector strategies, monitoring and evaluation, guidelines for the production sector, concessional lending, and the problem of small and medium-sized enterprises; (c) to use, but not overburden, its trusted Secretariat; and (d) to give appropriate and clear guidance to the four implementing agencies so that they could focus on their role of implementation.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

2. The Executive Committee adopted the following agenda:

1. Opening of the meeting.

2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Financial matters:
 - (a) Report of the Treasurer on status of contributions and disbursements;
 - (b) Administrative costs of the implementing agencies.
5. Business planning:
 - (a) Financial planning and projections of cash flow for the triennium 1997-1999;
 - (b) Three-year (1997-1999) business plan of the Multilateral Fund;
 - (c) 1997 business plans of the implementing agencies.
6. Report of the Sub-Committee on Project Review on:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) 1997 work programmes of the implementing agencies;
 - (d) Investment projects;
 - (e) China's halon sector strategy.
7. Country programmes:
 - (a) Democratic People's Republic of Korea;
 - (b) Nicaragua;
 - (c) Paraguay;
 - (d) Saint Kitts and Nevis.
8. Report of the Second Meeting of the Executive Committee's Subgroup on the Production Sector.
9. Monitoring and evaluation system for the Multilateral Fund (revised draft from the Consultant).
10. Retroactive funding.
11. Technology transfer.

12. Report on actions to improve the functioning of the Financial Mechanism (decision VIII/5).
13. Concessional lending.
14. Discussion paper for the establishment of training guidelines for identification of needs and coordination of activities.
15. Other matters.
16. Adoption of the report.
17. Closure of the meeting.

(b) Organization of work

3. The Meeting decided to follow its customary procedure.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

4. Having considered the report on the activities undertaken by the Fund Secretariat since the Twentieth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/21/2) and having noted the statement by the Chief Officer that it was hoped to finalize and submit to the Twenty-second Meeting of the Executive Committee the database of estimated costs of major equipment items, which was being prepared on a collaborative basis with the implementing agencies, the Executive Committee took note with appreciation of the report on Secretariat activities.

AGENDA ITEM 4: FINANCIAL MATTERS

(a) Report from the Treasurer

5. The Treasurer introduced his report on the status of contributions and disbursements (UNEP/OzL.Pro/ExCom/21/3/Rev.1). He also provided a brief report on progress made since the Twentieth Meeting in resolving problems related to the acceptance and use of promissory notes by the implementing agencies.

6. On the question of promissory notes, and in response to a query, the Chief Officer indicated that both UNDP and UNIDO had, in agreement with the Treasurer, submitted identical proposals for an amendment of their respective agreements with the Executive Committee.

During the Meeting, the Secretariat would consult with representatives of the two agencies and with the Treasurer to determine whether, in fact, there was a need to amend the agreements.

7. The Executive Committee decided:

- (a) To take note of the status of the Fund and of contributions for the period 1991-1997 as at 31 January 1997 (see Annex I below);
- (b) To note that the resources available to the Fund as at 31 January 1997 stood at US \$25,661,401;
- (c) To take note of the Treasurer's report, including the progress made towards the full use of promissory notes;
- (d) To express the hope that any outstanding issues related to the full use of promissory notes would be resolved by the time of the Twenty-second Meeting of the Executive Committee.

(Decision 21/1)

(b) Administrative costs of the implementing agencies

8. Having considered the Secretariat's paper on the administrative costs of the implementing agencies (UNEP/OzL.Pro/ExCom/21/4), the Executive Committee decided:

- (a) To recall paragraph 6 of decision VIII/4, by which the Eighth Meeting of the Parties decided that the Executive Committee should, over the next three years, work towards the goal of reducing agency support costs from the current level of 13 per cent to an average of below 10 per cent;
- (b) To recognize that, while the 13 per cent charge levied over the initial years of the Multilateral Fund could probably be reduced as a result of economies of scale being achieved, the percentage could be different for large and small projects, for umbrella projects, and for projects that covered many small-scale enterprises;
- (c) To emphasize that, whether or not a reduced rate was agreed upon, the Committee must in no way discourage proper supervision, verification and evaluation of ongoing projects, and that agency support costs should not become a negotiating point on individual projects;
- (d) To agree that an independent consultant should be recruited to work with the Secretariat and implementing agencies to identify options and approaches for

reducing the overall level of administrative costs, focusing on revising the current uniform, fee-based system;

- (e) To approve the terms of reference for the consultancy as contained in Annex II to the present report.

(Decision 21/2)

AGENDA ITEM 5: BUSINESS PLANNING

(a) Financial planning and projections of cash flow for the triennium 1997-1999

9. Having considered the report of the Secretariat on financial planning and projections of cash flow for the triennium 1997-1999 (UNEP/OzL.Pro/ExCom/21/5), the Executive Committee decided:

- (a) To note that the 1997-1999 budget approved by the Parties consisted of US \$74 million carried over from 1996 and US \$466 million in new pledges, with the new pledges being assessed at US \$155,333,333 for each year of the triennium;
- (b) To agree that, as the most effective way of using the carry-over to assist all countries in meeting their 1999 freeze obligations, the entire US \$74 million should be allocated to the 1997 budget, for planning purposes;
- (c) That financial planning by the Executive Committee for the triennium should be based on the amounts that, based on historical precedent, it knew would actually be paid into the Multilateral Fund;
- (d) That eligible projects for which no funding was immediately available would, as in the past, be cleared for approval pending receipt of the necessary funds;
- (e) That the Executive Committee would review annually the level of pledged funds that were actually paid into the Multilateral Fund.

(Decision 21/3)

(b) Three-year (1997-1999) business plan of the Multilateral Fund

10. Having considered the three-year (1997-1999) business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/21/6), the Executive Committee decided:

- (a) To take note of the three-year (1997-1999) business plan of the Multilateral Fund;

- (b) To note that decision 21/3, subparagraph (b), by which it decided to allocate all of the US \$74 million carry-over from the triennium 1994-1996 to the budget for 1997, would be reflected in section III of the 1997-1999 business plan;
- (c) That sections III and IV of the plan should be revised, and that section V should be expanded to take into account the comments made during the meeting;
- (d) To note the need to improve the business plans for the year 1998 and future years, bearing in mind that, in preparing previous business plans, the most effective procedure had not always been followed, namely, planning of activities first, to be followed by implementation, which would be monitored, and, on the basis of that monitoring, revision and continuation of the activities.

(Decision 21/4)

11. The Executive Committee reached no conclusion in its discussion on the strategic considerations outlined in section II of the plan.

(c) 1997 business plans of the implementing agencies

12. Having considered the overview of the 1997 business plans of the implementing agencies, (UNEP/OzL.Pro/ExCom/21/7) as introduced by the Secretariat, as well as the 1997 business plans of UNDP (UNEP/OzL.Pro/ExCom/21/8), UNEP (UNEP/OzL.Pro/ExCom/21/9), UNIDO (UNEP/OzL.Pro/ExCom/21/10), and the World Bank (UNEP/OzL.Pro/ExCom/21/11), as introduced by the representatives of the respective agencies, the Executive Committee decided:

- (a) To take note of the 1997 business plans of the implementing agencies;
- (b) To request the implementing agencies to revise their 1997 business plans in the light of Executive Committee decision 21/3, subparagraph (b), and in conformity with its decisions 21/11, 21/12, 21/13 and 21/14, on the 1997 work programmes of the implementing agencies, and to submit them to the Executive Committee at its Twenty-second Meeting;
- (c) To request the implementing agencies, when implementing their 1997 business plans, to integrate the preparation of projects for national recovery and recycling in low-volume-consuming countries into refrigerant management plans;
- (d) To request the Secretariat to work with the implementing agencies to develop more standardized criteria for evaluating their performance so that it would be possible to examine the relative performance of the agencies prior to consideration of their 1998 business plans;

- (e) To request the Secretariat to work with the implementing agencies to produce a summary status report for each Article 5 country that would, using the latest available data, include information on the consumption of each country, the number of tonnes to be reduced through implementation of projects already approved by the Fund, the status of implementation of such projects, the amount of ODS that was expected to be reduced through planned approvals in 1997, and an indication of the relative difficulty that each country might face in meeting the 1999 freeze and, as far as practicable, subsequent control measures;
- (f) To request the Secretariat to submit a report to the Executive Committee on the exercises referred to in subparagraphs (d) and (e) above. The Monitoring, Evaluation and Finance Sub-Committee established by decision 21/35 would consider this report and make recommendations to the Executive Committee.

(Decision 21/5)

AGENDA ITEM 6: REPORT OF THE SUB-COMMITTEE ON PROJECT REVIEW

13. The representative of Switzerland, Chairman of the Sub-Committee on Project Review (composed of India, Peru, Senegal, Switzerland, the United Kingdom and the United States of America), introduced the Sub-Committee's report (UNEP/OzL.Pro/ExCom/21/12), which contained the recommendations of the Sub-Committee on a number of issues, as well as a list of new projects and activities recommended for approval.

(a) Overview of issues identified during project review

Multi-phase projects

14. Having considered the recommendations of the Sub-Committee on Project Review on the basis to be used to calculate production and consumption of an enterprise when conversion was presented and funded in two phases, and for the determination of the level of grant when an enterprise opted to collect incremental operating costs after the project had been implemented (UNEP/OzL.Pro/ExCom/21/12, para. 9), the Executive Committee decided:

- (a) For projects in the domestic refrigeration sector for which incremental operating costs were to be sought after the project had been implemented, the production level to be used for the calculation of incremental operating costs is the level prior to preparation of the project as specified in the approved project proposal;
- (b) For multi-phase projects that involve a development phase and a separate phase to convert production facilities, the production level to be used for the calculation of

incremental operating costs is that of the second phase, in which the production facilities are converted. ODS consumption should be calculated in accordance with the decision taken by the Executive Committee at its Sixteenth Meeting (UNEP/OzL.Pro/ExCom/16/20, para. 32 (b)) to use consumption in the year, or the average of the three years, immediately preceding preparation of the second-phase conversion project;

- (c) For any other multi-phase project, the production levels, ODS consumption and operating costs should be calculated separately for each phase, in accordance with the requirements of the decision of the Sixteenth Meeting referred to in subparagraph (b) above, provided that the overall level of funding for the enterprise does not exceed the maximum level available under the threshold funding cap calculated using the ODS consumption presented in the first phase of the project;
- (d) Noting the presumption in decision 19/9 adopted by the Executive Committee at its Nineteenth Meeting against the submission of multi-phase projects, proposals for any future multi-phase projects should include full justification for use of this modality;
- (e) Production capacity should be considered in a manner consistent with decision 17/7 adopted by the Executive Committee at its Seventeenth Meeting. Thus, production capacity installed after 25 July 1995 should not be taken into consideration when determining the production level, the ODS phase-out, or the operating cost in any multi-phase project.

(Decision 21/6)

Change of technology after project approval

15. Having considered the recommendations of the Sub-Committee on Project Review on changes of technology proposed by UNDP (UNEP/OzL.Pro/ExCom/21/12, paras. 10-12), the Executive Committee decided:

- (a) To approve the following three proposals for change of technology for projects approved in 1994 and 1995:

China: Elimination of the use of CFC-112 and methyl chloroform in the colour picture tube manufacturing process at Shanghai Novel CPT Corp. Factory (UNEP/OzL.Pro/ExCom/18/75 and 19/64)

Thailand: Elimination of the use of CFCs in the manufacture of flexible polyurethane foam (slabstock) at Lucky Group (UNEP/OzL.Pro/ExCom/13/47)

Elimination of the use of CFCs in the manufacture of flexible PUF slabstock at Karn Yang Yeen Yong Industry Ltd. (KYYY) Foam (UNEP/OzL.Pro/ExCom/15/45)

- (b) To request the Fund Secretariat to prepare draft guidelines for proposals to change technology in approved projects, in collaboration with UNDP, UNIDO and the World Bank, for submission to the Twenty-second Meeting of the Executive Committee.
- (c) That no additional proposals regarding technology changes should be considered until the proposed guidelines had been developed and submitted to the Executive Committee.

(Decision 21/7)

Tobacco sector guidelines

16. Having considered the recommendations of the Sub-Committee on Project Review on cost-effectiveness thresholds in the tobacco sector and royalty fees (UNEP/OzL.Pro/ExCom/21/12, para. 14), the Executive Committee decided:

- (a) To request the Secretariat and the implementing agencies to consider new guidelines for cost-effectiveness thresholds in the tobacco sector, taking into account the requirement of Action 6 under decision VII/22 of the Seventh Meeting of the Parties (UNEP/OzL.Pro.7/12, annex V) and the need to give priority to projects with the highest cost-effectiveness, for submission to the Executive Committee at its Twenty-second Meeting;
- (b) That the paper should also consider the issue of royalty fees.

(Decision 21/8)

Incremental operating costs for domestic refrigeration compressors

17. The Executive Committee noted the assurances given to the Sub-Committee by the World Bank that the incremental operating costs for the two compressor conversion projects in Thailand (UNEP/OzL.Pro/ExCom/20/35) and the project on the conversion of manufacturing facilities in China (UNEP/OzL.Pro/ExCom/20/17) concerned solely lubricating oil and that the costs had been requested in accordance with existing guidelines (UNEP/OzL.Pro/ExCom/21/12, para. 15).

18. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 17), the Executive Committee decided that incremental operating costs for the following projects, deferred at the Twentieth Meeting of the Executive Committee (decisions 20/22 and 20/27), would be considered at the Twenty-second Meeting, together with the policy paper on incremental operating costs for domestic refrigeration compressors: conversion of manufacturing facilities from CFC-11 foaming agents to cyclopentane and CFC-12 refrigerant to HFC-134a at Gansu Changfeng Baoan (China); conversion of compressor manufacture from CFC-12 to HFC-134a designs at Sanyo Universal Electric Co., Ltd. (Thailand); conversion of compressor manufacture from CFC-12 to HFC-134a, Phase 2, at Kulthorn Kirby Public Company Limited (Thailand). Incremental operating costs for the projects should be presented on the basis of the policies and guidelines currently available and also on the basis of the options arising from the policy paper.

(Decision 21/9)

(b) Bilateral cooperation

19. Having considered the project proposals to be funded through bilateral cooperation, together with the comments and recommendations of the Secretariat thereon (UNEP/OzL.Pro/ExCom/21/14 and Add.1), the Executive Committee decided:

- (a) To approve the requests from the Government of France to credit against its 1996 contribution the amount of US \$16,500 and to credit against its 1997 contribution the amount of US \$65,000 for the projects as indicated in Annex III to the present report;
- (b) To take note of the bilateral cooperation project approved on a no-objection basis intersessionally after the Twentieth Meeting (see Annex III below).

(Decision 21/10)

(c) 1997 work programmes of the implementing agencies

- **UNDP**

20. The Executive Committee, having considered the 1997 work programme of UNDP (UNEP/OzL.Pro/ExCom/21/15), together with the comments and recommendations of the Fund Secretariat thereon, as well as the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, paras. 23-24), decided:

- (a) To approve the activities in UNDP's 1997 work programme listed in Annex IV to the present report for the amounts indicated and subject to the conditions specified in its decisions 21/5 subparagraph (c), 21/22, 21/24 subparagraph (b), and 21/26;
- (b) That, rather than approving an amount within the work programme for unforeseen requests for project preparation activities, as provided for in its decision 19/10, it would consider work programme amendments for such activities submitted by UNDP in the course of the year.

(Decision 21/11)

21. One representative wished it to be noted that the funding of the update of China's country programme should not be a unique occurrence, and that similar requests from other countries should also be considered.

- **UNIDO**

22. The Executive Committee, having considered the 1997 work programme of UNIDO (UNEP/OzL.Pro/ExCom/21/17), together with the comments and recommendations of the Fund Secretariat thereon, as well as the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, paras. 26-27), decided:

- (a) To approve the activities in UNIDO's 1997 work programme listed in Annex IV to the present report for the amounts indicated and subject to the conditions specified in its decisions 21/5 subparagraph (c), 21/17, 21/20, 21/24 subparagraph (b) and 21/25;
- (b) That, rather than approving an amount within the work programme for unforeseen requests for project preparation activities, as provided for in its decision 19/10, it would consider work programme amendments for such activities submitted by UNIDO in the course of the year.

(Decision 21/12)

- **World Bank**

23. The Executive Committee, having considered the 1997 work programme of the World Bank (UNEP/OzL.Pro/ExCom/21/18), together with the comments and recommendations of the Fund Secretariat thereon, as well as the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, paras. 29-30), decided:

- (a) To approve the activities in the World Bank's 1997 work programme listed in Annex IV to the present report for the amounts indicated and subject to the conditions specified in its decisions 21/5 subparagraph (c), 21/16, 21/18, 21/19, 21/21, 21/23, 21/32 and 21/39 subparagraph (b);
- (b) That, rather than approving an amount within the work programme for unforeseen requests for project preparation activities, as provided for in its decision 19/10, it would consider work programme amendments for such activities submitted by the World Bank in the course of the year.

(Decision 21/13)

- **UNEP**

24. The Executive Committee, having considered the 1997 work programme of UNEP (UNEP/OzL.Pro/ExCom/21/16), together with the comments and recommendations of the Fund Secretariat thereon, as well as the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, paras. 34-35), decided:

- (a) To approve a total amount of US \$1.05 million for recurring information-exchange activities that are ongoing in nature (namely, the collection of sectoral data from world-wide sources; updated OAIC diskette version; dissemination of information materials; direct query-response service; maintenance of contact database of experts and mailing list of OzonAction programme publications; halon bank management clearing-house services; publication of the OzonAction newsletter and special supplements);
- (b) To approve a total amount of US \$0.335 million for the remaining, non-recurring information-exchange activities in the UNEP 1997 work programme, including delivery of the OzonAction newsletter and other information through the World Wide Web home page site;
- (c) To approve a total amount of US \$1.1 million for networking activities;
- (d) The amounts of US \$1.05 million approved for recurring information exchange activities, which are outlined in subparagraph (a) above, and US \$1.1 million for

networking activities, which are outlined in sub-paragraph (c) above, would represent caps, and the levels of funding for those activities would not be increased in future years except by a factor of up to 5 per cent to cover inflation. The levels of future funding for non-recurring activities would be considered on the basis of the individual proposals submitted by UNEP;

- (e) To approve the levels of funding for training, country programme preparation, country-specific activities and travel as they appear in Annex IV to the present report;
- (f) That UNEP should have the flexibility to apportion, according to its own priorities, the amounts referred to in subparagraphs 24 (a) to 24 (c) above. The relevant apportionment is reflected in Annex IV to the present report.

(Decision 21/14)

25. The representative of Antigua and Barbuda expressed the view that the Sub-Committees were the tools of the Executive Committee. He found it disturbing that the Executive Committee was being pressured to approve a Sub-Committee document in its entirety, and registered his delegation's strong objection to the caps on UNEP's activities.

26. The representative of China pointed out that for the first time the Executive Committee was placing a limit on the activities of an implementing agency. The activities of UNEP in the exchange of information and the provision of training were very important for the future, and the monetary sums involved, by comparison with investment projects, were not large.

27. At the request of one representative, the representative of UNEP presented an analysis of the impacts arising out of the decision of the Executive Committee to cap its recurring core clearing-house activities.

- **Criteria for the submission of project preparation proposals**

28. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 38), the Executive Committee decided to request the Secretariat to draw up criteria to be used as a basis for submitting future project preparation proposals. These criteria might relate to, inter alia, the rate of disbursement of funding in the country concerned, the amount of ODS reduction as a percentage of country consumption, the existence of a country programme, and other elements suggested in the Sub-Committee's discussion.

(Decision 21/15)

- **Decisions related to individual activities in the 1997 work programmes**

Argentina: Project preparation (World Bank)

29. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (a)), the Executive Committee decided that no funds would be expended for this project until the World Bank reported to the Executive Committee that progress had been made with the implementation of existing projects.

(Decision 21/16)

Cameroon: Project preparation of investment projects in the foam and refrigeration sectors (UNIDO)

30. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (b)), the Executive Committee decided that no new project preparation activities would be considered for Cameroon until the Executive Committee received an account of what the remaining ODS use in the country comprised.

(Decision 21/17)

China: Project preparation (World Bank)

31. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (c)), the Executive Committee noted that the recommended amounts might be increased if the preconditions set in the World Bank work programme were met.

(Decision 21/18)

Colombia: Project preparation (World Bank)

32. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 30 (a)), the Executive Committee decided to approve the request for funding for project preparation activities by the World Bank in Colombia and that no funds would be expended until the existing impediments to project implementation in that country had been removed.

(Decision 21/19)

Egypt: Project preparation in the solvent sector (UNIDO)

33. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (i)), the Executive Committee decided that no funds would be expended on this project until UNIDO reported to the Executive Committee that further progress had been made on its existing solvents projects in Egypt.

(Decision 21/20)

Malaysia: Project preparation (World Bank)

34. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (d)), the Executive Committee decided that no new requests for project preparation funding in Malaysia would be considered until it received an account of what remained to be accomplished by way of phase-out of ODS consumption in the country.

(Decision 21/21)

Malaysia: Project preparation (UNDP)

35. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (e)), the Executive Committee decided that no new requests for project preparation funding in Malaysia would be considered until it received an account of what remained to be accomplished by way of phase-out of ODS consumption in the country.

(Decision 21/22)

Mexico: Project preparation (World Bank)

36. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (f)), the Executive Committee decided:

- (a) That no new project preparation funding would be considered for retrofitting projects in the commercial refrigeration sub-sector in the absence of guidelines approved by the Executive Committee;
- (b) To request the World Bank, in conjunction with the Fund Secretariat, to prepare draft guidelines for the consideration of the Executive Committee at its Twenty-second Meeting;

(Decision 21/23)

Nigeria: Project preparation (UNDP)

37. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (g)), the Executive Committee decided:

- (a) To request the World Bank, as the implementing agency for Nigeria's country programme, to report on the status of Nigeria's country programme at the Twenty-second Meeting of the Executive Committee;

- (b) That UNIDO and UNDP should keep their proposed 1997 business plan allocations for Nigeria pending the submission of the World Bank's report and should propose a way forward thereafter.

(Decision 21/24)

Tunisia: Project preparation in the aerosol, foam, solvents and methyl bromide sectors (UNIDO)

38. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 6 (h)), the Executive Committee decided that no new requests for project preparation in Tunisia would be considered until the Executive Committee received an account of the remaining ODS uses in Tunisia.

(Decision 21/25)

Venezuela: Project preparation (UNDP)

39. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 24 (a)), the Executive Committee decided to approve the request by UNDP for US \$155,000 to undertake project preparation activities in Venezuela, comprising US \$35,000 for commercial refrigeration recovery and recycling and US \$120,000 for the production sector, on the understanding that no funds would be expended on the production sector component of the activity until guidelines for that sector had been approved.

(Decision 21/26)

(d) Investment projects

- Project proposals and resource allocation

40. The Executive Committee, having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, paras. 6, 14, 17, and 20) decided to approve the investment project proposals listed in Annex V to the present report, for the amounts indicated and subject to any condition specified.

(Decision 21/27)

41. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 39), the Executive Committee decided to request the implementing agencies to provide the Executive Committee at its Twenty-second Meeting with a list of projects where there had been no significant activity in the last two years.

(Decision 21/28)

- **Decisions relating to individual projects and activities**

Indonesia: Conversion of tobacco expansion process from CFC-11 to carbon dioxide at P.T. Hanjaya Mandala Sampoerna and P.T. Djarum (UNEP/OzL.Pro/ExCom/21/19)

42. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 14 (a)), the Executive Committee decided to approve funding for the conversion of the tobacco expansion process from CFC-11 to carbon dioxide at P. T. Hanjaya Mandala Sampoerna and P.T. Djarum, as indicated in Annex V to the present report. The project was approved on an ad hoc basis as it would represent a total phase-out of CFC-11 in the tobacco sector in Indonesia.

(Decision 21/29)

Thailand: Elimination of ODS used in the production of household refrigerators at Kang Yong Electric Public Co., Ltd., Sanyo Universal Electric Public Co., Ltd., and Thai Toshiba Electric Industries Co., Ltd. (Phase II) (UNEP/OzL.Pro/ExCom/21/22)

43. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 19), the Executive Committee decided:

- (a) To approve funding for Sanyo Universal Electric Public Co., Ltd., and Thai Toshiba Electric Industries Co., Ltd., with relevant cost elements calculated on the basis of the 1995 level of production, for the amounts indicated in Annex V to the present report;
- (b) With regard to the Kang Yong Electric Public Co., Ltd. project:
 - (i) Not to approve any additional funding for Phase II since the funding already provided under Phase I exceeded the total funding available under the cost-effectiveness threshold applicable to the sector;
 - (ii) To approve the application of unutilized funding from the Phase I project to those costs agreed as incremental for the Phase II project to a maximum of US \$177,553;
- (c) To request the World Bank to provide advice as soon as possible on the unutilized funding from the Phase I projects for each enterprise proposed to be returned to the Multilateral Fund.

(Decision 21/30)

Uruguay: Manufacture of parallel-flow condensers for air-conditioning systems in vehicles that use HFC-134a at Panasco (UNEP/OzL.Pro/ExCom/21/23)

44. Having noted the recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/21/12, para. 20), the Executive Committee decided not to approve the project for funding in view of the ineligibility of the incremental costs under existing guidelines.

(Decision 21/31)

(e) China's halon sector strategy

45. Having considered the World Bank paper on “Sector based financing under the Multilateral Fund: list of issues requiring consideration by the Multilateral Fund” (UNEP/OzL.Pro/ExCom/21/24) and having heard the report of the Chairman of an ad hoc group set up during the Meeting to consider the issues involved, the Executive Committee decided:

- (a) To provide initial guidance, contained in Annex VI to the present report, to allow further development by China and the World Bank of the halon sector approach pilot programme under an umbrella agreement. In doing so, it was agreed that the initial guidance did not preclude the Executive Committee from taking different or additional views when specific issues are presented in the context of a formal sector approach proposal from China;
- (b) That the guidance was for the purpose of further development of the halon sector approach pilot programme under an umbrella agreement in China only;
- (c) That the guidance would not be applied to any other country or sector until the Executive Committee had discussed and decided on the question of wider applicability; and
- (d) That the issue of wider applicability would be discussed and decided upon at the Twenty-second Meeting of the Executive Committee.

(Decision 21/32)

AGENDA ITEM 7: COUNTRY PROGRAMMES

46. Under this item, the Executive Committee had before it the country programmes for the Democratic People's Republic of Korea, (UNEP/OzL.Pro/ExCom/21/25), Paraguay (UNEP/OzL.Pro/ExCom/21/27), and Saint Kitts and Nevis (UNEP/OzL.Pro/ExCom/21/28).

47. The Executive Committee decided:

- (a) To approve the country programmes of the Democratic People's Republic of Korea, Paraguay, and Saint Kitts and Nevis, while noting that such approval did not denote approval of the projects therein or their funding levels, except as indicated in Annex IV to the present report;
- (b) To request the Governments of the Democratic People's Republic of Korea, Paraguay, and Saint Kitts and Nevis to present annually information to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para. 135). Using the approved format, the initial report, covering the period 20 February to 31 December 1997, should be submitted to the Fund Secretariat no later than 31 March 1998;
- (c) To note that the Government of Nicaragua had requested deferment of the submission of its country programme to the Twenty-second Meeting.

(Decision 21/33)

AGENDA ITEM 8: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR

48. The Executive Committee, having heard the report of the Subgroup on the Production Sector (UNEP/OzL.Pro/ExCom/21/29 and Corr.1), presented by the representative of Australia, facilitator of the Subgroup, decided :

- (a) To take note of the report;
- (b) To welcome the progress made and to encourage the Subgroup to continue its work;
- (c) To request the Secretariat to undertake the following actions:
 - (i) Bring together a consultant and a core group of the following four members of the Expert Group: Messrs. Mike Harris, Tony Vogelsberg, Ravi K. Sinha and Jianan Jiang. The Secretariat will select an appropriate consultant who will work under the supervision of the Secretariat and who will consult, if necessary, with the core group. The consultant working with the core group will prepare a questionnaire based on the report of the 3rd and 4th Meetings of the Expert Group (UNEP/OzL.Pro/ExCom/21/29 and Corr.1). The questionnaire will be designed to enable three volunteer firms to provide data that would allow for an understanding of the approximate financial implications of the methodology recommended by

the Expert Group in respect of these firms. The consultant will submit the raw data and its draft report directly to the core group and the Subgroup. The consultant may or may not, at its discretion, modify the draft report in accordance with any written comments that may be received from the core group. The final report of the consultant should be submitted directly to the Subgroup and the core group by the end of April 1997. The comments of the core group on the draft and final reports will be submitted to the Subgroup in a separate document. The consultant will also make a presentation directly to the Subgroup when it meets prior to the Twenty-second Meeting of the Executive Committee;

- (ii) Request the consultant to assist the volunteer firms in understanding the questionnaire so that the data obtained from the three firms would be as reasonable as possible. Such assistance could, if deemed essential, involve a mission to the country concerned by the consultant;
- (iii) Request the consultant to prepare a spreadsheet designed in consultation with the core group incorporating the main parameters included in the recommendations of the 3rd and 4th Meetings of the Expert Group, so that interested parties could test the sensitivity of the overall levels of funding to changes in those parameters. These parameters should include, *inter alia*, assumed profit margins, discount rates to be used in calculating the net present value of the profits forgone, inflation rates, projected production growth rates, remaining useful life, parameters on prices and costs as included in Recommendation 8, compensation for labour displacement, etc.;
- (iv) Request the consultant to prepare a short paper describing the relative sensitivity of total funding requirements to changes in the different parameters with respect to the three volunteer firms. The analysis should be presented in a manner that varied the assumptions by an equal amount, both positive and negative.

(Decision 21/34)

AGENDA ITEM 9: MONITORING AND EVALUATION SYSTEM FOR THE MULTILATERAL FUND

49. Having considered a revised draft of a proposed monitoring and evaluation system prepared by the consulting firm Universalialia (UNEP/OzL.Pro/ExCom/21/30) and an oral and slide presentation by a representative of Universalialia on the proposed monitoring and evaluation system, as well as the replies of the representative to a number of comments and queries by members of the Committee, the Executive Committee decided:

- (a) To replace the Sub-Committee on Financial Matters with a standing sub-committee to be called the Monitoring, Evaluation, and Finance Sub-Committee;
- (b) To adopt the terms of reference contained in Annex VII to the present report for the Monitoring, Evaluation and Finance Sub-Committee;
- (c) To request the Monitoring, Evaluation, and Finance Sub-Committee:
 - (i) To review the cycle for business planning and the submission of work programmes;
 - (ii) To review monitoring of approved projects; and
 - (iii) To make recommendations on these matters to the Executive Committee at its Twenty-second Meeting;
- (d) To revise the terms of reference, as necessary, following its review of the recommendations made by the Sub-Committee.
- (e) That the membership of the Monitoring, Evaluation and Finance Sub-Committee would consist of Antigua and Barbuda, Costa Rica and Zimbabwe, from Parties operating under Article 5 of the Protocol, and Australia, Belgium and the United Kingdom, from Parties not so operating. Australia would act as Chairman.

(Decision 21/35)

50. In adopting the decision, the Committee agreed that, as far as language services were concerned, the same practices would be followed as in the Sub-Committee on Project Review. The Committee recognized that, when the Sub-Committees were meeting simultaneously, this arrangement would involve additional cost for interpretation but requested the Secretariat to ensure that such costs were kept to a minimum by consulting with members of the Sub-Committees beforehand to ascertain the languages in which interpretation services were required.

51. The Executive Committee further decided:

- (a) That there should be a modest strengthening of the Secretariat in order to provide a measure of monitoring and evaluation capacity;
- (b) That once the work programme has been defined and developed by the Monitoring, Evaluation and Finance Sub-Committee, necessary evaluations will be carried out, bearing in mind the requirements of Action 1 under decision VII/22 of the Seventh Meeting of the Parties (UNEP/OzL.Pro.7/12, annex V);

- (c) That it would need to review the progress on implementation of the monitoring and evaluation programme after one year;
- (d) To request the Secretariat to work with the implementing agencies and propose for consideration by the Executive Committee or the Monitoring, Evaluation and Finance Sub-Committee deletions from and/or additions to the current monitoring parameters so as to make them more strategic. In this regard, the Secretariat and the implementing agencies should consider suggestions by members of the Executive Committee;
- (e) To request the Secretariat to work with the implementing agencies to explore ways in which standardized monitoring and evaluation components could be included in project proposals and to propose standardized guidelines for the content of project completion reports by implementing agencies; and
- (f) To request the Secretariat to report back to the Twenty-second Meeting of the Executive Committee on actions taken pursuant to these decisions.

(Decision 21/36)

AGENDA ITEM 10: RETROACTIVE FUNDING

52. The Executive Committee, having considered the paper contained in document UNEP/OzL.Pro/ExCom/21/31, decided to defer consideration of the issue of retroactive funding until the Twenty-second Meeting.

(Decision 21/37)

AGENDA ITEM 11: TECHNOLOGY TRANSFER

53. Having considered the note by the Secretariat on technology transfer (UNEP/OzL.Pro/ExCom/21/32) and having heard a statement by the Executive Secretary of the Ozone Secretariat on the arrangements under way to convene a meeting of the informal group established by the Eighth Meeting of the Parties in its decision VIII/7 to assist the Executive Committee in identifying what steps can practically be taken to eliminate potential impediments to the transfer of ozone-friendly technologies to Parties operating under Article 5 under fair and most favourable conditions, the Executive Committee noted that the group would meet in Nairobi immediately prior to the Twenty-second Meeting of the Executive Committee .

AGENDA ITEM 12: REPORT ON ACTIONS TO IMPROVE THE FUNCTIONING OF THE FINANCIAL MECHANISM (DECISION VIII/5)

54. Having considered the report on actions to improve the functioning of the Financial Mechanism (UNEP/OzL.Pro/ExCom/21/33), which had been prepared in response to decision VIII/5 of the Eighth Meeting of the Parties, the Executive Committee decided:

- (a) That the report should be forwarded to the Open-ended Working of the Parties at its fifteenth meeting, with the amendments agreed to by the Executive Committee at its Twenty-first Meeting;
- (b) That, at its Twenty-second Meeting, the Executive Committee should hold a substantive discussion on measures to be taken to move forward on the actions referred to in decision VIII/5 of the Eighth Meeting of the Parties to the Montreal Protocol.

(Decision 21/38)

AGENDA ITEM 13: CONCESSIONAL LENDING

55. Having considered the report of the Secretariat on concessional lending (UNEP/OzL.Pro/ExCom/21/34), the Executive Committee decided:

- (a) To invite the Secretariat and the implementing agencies to submit for the consideration of the Executive Committee an innovative proposal for a demonstration project or projects to illustrate how concessional lending and other forms of innovative funding, including financing from the private sector, can be used to advance the phase-out of ozone-depleting substances by providing funding for projects and activities that may or may not otherwise be eligible for full funding in the form of grants from the Multilateral Fund;
- (b) To approve the request of the World Bank for US \$60,000 toward the cost of a concessional financing study to be carried out by the International Finance Corporation with a view to providing the Executive Committee with a comprehensive report that would:
 - (i) Explore ways in which private-sector finance can be mobilized to assist Article 5 countries in phasing out ozone-depleting substances, particularly in sectors with a good return on investments in ozone-friendly technologies;
 - (ii) Provide a final theoretical overview of ways in which concessional funding and other forms of innovative funding, including on-lending, can be used to

augment and make most effective use of the resources of the Multilateral Fund.

(Decision 21/39)

AGENDA ITEM 14: DISCUSSION PAPER FOR THE ESTABLISHMENT OF TRAINING GUIDELINES FOR IDENTIFICATION OF NEEDS AND COORDINATION OF ACTIVITIES

56. The Executive Committee decided:

- (a) To take note of the discussion paper for the establishment of training guidelines for identification of needs and coordination of activities (UNEP/OzL.Pro/ExCom/21/35), as introduced by the representative of UNEP;
- (b) To note that, at the Twenty-first Meeting of the Executive Committee, there was insufficient time to have a full discussion of the paper;
- (c) To invite members of the Committee who wished to do so to submit written comments on the paper to the Secretariat and UNEP;
- (d) To request UNEP, in consultation with the Secretariat and the other implementing agencies, to proceed with the development of the training guidelines in line with the framework proposed in the discussion paper, taking into account the comments received in writing from members of the Committee.

(Decision 21/40)

AGENDA ITEM 15: OTHER MATTERS

Date and place of the Twenty-second Meeting of the Executive Committee

57. The Executive Committee decided that its Twenty-second Meeting would be held in Nairobi from 28 to 30 May 1997, in conjunction with the fifteenth meeting of the Open-ended Working Group of the Parties to the Montreal Protocol, which was scheduled for 3 to 6 June.

58. The Meeting would be preceded by simultaneous meetings of the Sub-Committee on Project Review and the Monitoring, Evaluation and Finance Sub-Committee, the dates and timing of which would be set in the light of the expected workload. The Executive Committee's Subgroup on the Production Sector and the informal group established by decision VIII/7 of the Eighth Meeting of the Parties would meet on Monday, 26 May.

(Decision 21/41)

Review of requests for policy papers from the Secretariat

59. Pursuant to its decision 20/14, the Executive Committee reviewed a list of policy papers requested from the Secretariat at the Twenty-first Meeting. The list also contained those papers that had been requested from the Secretariat at its Twentieth Meeting, other than those submitted at the current meeting. The Chief Officer informed the Committee that the Secretariat would be able to produce all the papers requested for submission to the Twenty-second Meeting, with the exception of those on new guidelines for cost-effectiveness thresholds in the tobacco sector (decision 21/8), criteria to be used as a basis for submitting future project preparation proposals (decision 21/15), and guidelines for retrofitting projects in the commercial refrigeration sub-sector (decision 21/23), although every effort would be made to complete them in time. The Secretariat would, where appropriate, request members of the Executive Committee to provide input for the papers.

AGENDA ITEM 16: ADOPTION OF THE REPORT

60. The Executive Committee adopted the present report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/21/L.1 and Add.1, at its closing session on 20 February 1997.

AGENDA ITEM 17: CLOSURE OF THE MEETING

61. After the customary exchange of courtesies, the Chairman declared the meeting closed at 4:10 p.m. on Thursday, 20 February 1997.

ANNEX I

MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL		
Status of the Fund as at 31 January 1997 in US \$		
INCOME		
Contributions received:-		
- Cash payments including note encashments		437,815,178
- Promissory notes held		95,467,479
Bilateral cooperation		16,926,366
Interest earned		32,359,714
Miscellaneous income		2,840,248
TOTAL INCOME		585,408,984
ALLOCATIONS AND PROVISIONS		
UNDP	156,656,142	
UNEP	22,089,442	
UNIDO	102,884,550	
World Bank	243,084,231	
Total allocations to implementing agencies	524,714,365	524,714,365
Secretariat and Executive Committee costs 1991-1997 - includes provision for staff contracts into 1998		18,106,852
Bilateral Cooperation		16,926,366
Provision for reductions in promissory note values for new bilateral projects		0
BALANCE AVAILABLE FOR NEW ALLOCATIONS		25,661,401

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
1991 - 1997 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME
AS AT 31 JANUARY 1997

DESCRIPTION	1991 (US \$)	1992 (US \$)	1993 (US \$)	1994 (US \$)	1995 (US \$)	1996 (US \$)	1997 (US \$)	TOTAL (US \$)
PLEGGED CONTRIBUTIONS	53,308,224	73,322,709	112,897,375	148,369,289	148,143,050	151,881,159	155,333,334	843,255,140
CASH PAYMENTS	45,566,338	58,532,941	90,203,044	101,664,303	101,732,513	39,746,303	369,736	437,815,178
BILATERAL ASSISTANCE	480,000	1,726,772	2,282,736	4,874,062	5,568,635	1,994,161	0	16,926,366
PROMISSORY NOTES	0	3,283,914	7,994,173	24,160,513	23,394,614	36,623,330	10,935	95,467,479
TOTAL PAYMENTS	46,046,338	63,543,627	100,479,953	130,698,878	130,695,762	78,363,794	380,671	550,209,022
DISPUTED CONTRIBUTIONS		0	0	0	0	8,098,267	0	8,098,267
OUTSTANDING PLEDGES	7,261,886	9,779,082	12,417,422	17,670,411	17,447,288	65,419,098	154,952,663	284,947,851
PAYMENTS/PLEDGES %AGE	86.38%	86.66%	89.00%	88.09%	88.22%	51.60%	0.25%	65.25%

INTEREST EARNED	540,614	1,757,933	3,025,097	5,701,779	11,211,677	10,122,614	0	32,359,714
MISCELLANEOUS INCOME	703,334	522,219	216,520	651,433	428,554	318,188	0	2,840,248

TOTAL INCOME	47,290,286	65,823,779	103,721,570	137,052,090	380,671	354,268,396
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ACCUMULATED FIGURES	1991 - 1993	1994 - 1996	1991 - 1996
Total Pledges	239,528,308	448,393,498	687,921,806
Total Payments	210,069,918	339,758,434	549,828,352
%age to Total Pledges	87.70%	75.77%	79.93%
Total Outstanding Contributions	29,458,390	108,635,064	138,093,454
%age to Total Pledges	12.30%	24.23%	20.07%
Outstanding Contributions for Economies in Transition	29,171,841	46,242,709	75,414,550
%age to Total Pledges	12.18%	10.31%	10.96%

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
STATUS OF CONTRIBUTIONS FOR 1997
AS AT 31 JANUARY 1997

PARTY	AGREED CONTRIBUTIONS (US \$)	CASH PAYMENTS (US \$)	BILATERAL ASSISTANCE (US \$)	PROMISSORY NOTES (US \$)	OUTSTANDING CONTRIBUTIONS (US \$)
AUSTRALIA	2,719,451	69,549	0	0	2,649,902
AUSTRIA	1,589,409	0	0	0	1,589,409
AZERBAIJAN	215,902	0	0	0	215,902
BELARUS	537,459	0	0	0	537,459
BELGIUM	1,851,248	0	0	0	1,851,248
CANADA	5,700,741	0	0	0	5,700,741
DENMARK	1,318,383	0	0	0	1,318,383
FINLAND	1,134,636	0	0	0	1,134,636
FRANCE	11,773,570	0	0	10,935	11,762,635
GERMANY	16,615,295	0	0	0	16,615,295
GREECE	698,237	300,187	0	0	398,050
HUNGARY	257,245	0	0	0	257,245
ICELAND	55,124	0	0	0	55,124
IRELAND	385,868	0	0	0	385,868
ISRAEL	491,522	0	0	0	491,522
ITALY	9,550,235	0	0	0	9,550,235
JAPAN	28,361,303	0	0	0	28,361,303
LIECHTENSTEIN	18,375	0	0	0	18,375
LUXEMBOURG	128,623	0	0	0	128,623
MONACO	18,375	0	0	0	18,375
NETHERLANDS	2,916,979	0	0	0	2,916,979
NEW ZEALAND	440,992	0	0	0	440,992
NORWAY	1,028,982	0	0	0	1,028,982
POLAND	620,145	0	0	0	620,145
PORTUGAL	505,303	0	0	0	505,303
RUSSIAN FEDERATION	8,176,728	0	0	0	8,176,728
SLOVAKIA	151,591	0	0	0	151,591
SOUTH AFRICA	592,583	0	0	0	592,583
SPAIN	4,341,016	0	0	0	4,341,016
SWEDEN	2,255,491	0	0	0	2,255,491
SWITZERLAND	2,223,335	0	0	0	2,223,335
TURKMENISTAN	59,718	0	0	0	59,718
UNITED KINGDOM	9,766,137	0	0	0	9,766,137
UNITED STATES OF AMERICA	38,833,333	0	0	0	38,833,333
TOTAL	155,333,334	369,736	0	10,935	154,952,663

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
1991- 1996 SUMMARY CONTRIBUTIONS STATUS
AS AT 31 JANUARY 1997

PARTY	AGREED CONTRIBUTIONS (US \$)	CASH PAYMENTS (US \$)	BILATERAL ASSISTANCE (US \$)	PROMISSORY NOTES (US \$)	OUTSTANDING CONTRIBUTIONS (US \$)
AUSTRALIA	12,169,842	11,422,914	746,928	0	0
AUSTRIA	6,212,240	6,080,450	116,628	0	15,162 *
AZERBAIJAN	63,182	0	0	0	63,182
BELARUS	3,309,593	0	0	0	3,309,593
BELGIUM	8,588,289	8,588,289	0	0	0
BRUNEI DARUSSALAM	34,833	0	0	0	34,833
BULGARIA	897,207	753,523	0	0	143,684
CANADA	24,948,120	17,570,667	2,186,483	0	5,190,970
CYPRUS	148,670	148,670	0	0	0
CZECH REPUBLIC	2,849,573	2,849,573	0	0	0
DENMARK	5,399,598	5,194,598	205,000	0	0
FINLAND	4,574,634	4,359,543	103,440	0	111,651 *
FRANCE	48,598,094	5,921,449	1,571,603	41,105,042	0 *
GEORGIA	90,020	0	0	0	90,020
GERMANY	72,415,467	39,905,823	1,355,296	31,154,348	0
GREECE	2,938,344	2,938,344	0	0	0
HUNGARY	1,420,925	1,420,925	0	0	0
ICELAND	241,067	241,067	0	0	0
IRELAND	1,498,654	1,446,898	0	0	51,756
ISRAEL	1,574,736	1,574,736	0	0	0
ITALY	34,042,507	28,644,156	0	0	5,398,351
JAPAN	98,501,042	76,783,706	0	0	21,717,336
KUWAIT	286,549	0	0	0	286,549
LATVIA	143,684	0	0	0	143,684
LIECHTENSTEIN	80,356	80,356	0	0	0
LITHUANIA	148,038	0	0	0	148,038
LUXEMBOURG	499,552	499,552	0	0	0
MALTA	28,052	28,052	0	0	0
MONACO	59,787	59,787	0	0	0
NETHERLANDS	12,426,686	9,661,853	0	2,764,833	0
NEW ZEALAND	1,928,536	1,928,536	0	0	0
NORWAY	4,436,982	4,436,982	0	0	0
PANAMA	16,915	16,915	0	0	0
POLAND	3,327,029	473,318	0	0	2,853,711
PORTUGAL	1,708,280	1,229,333	0	0	478,947
RUSSIAN FEDERATION	54,813,611	0	0	0	54,813,611
SINGAPORE	531,221	459,245	71,976	0	0
SLOVAKIA	956,372	583,249	0	0	373,123
SLOVENIA	61,290	0	0	0	61,290
SOUTH AFRICA	3,201,108	2,859,433	30,000	0	311,675
SPAIN	16,532,425	16,532,425	0	0	0
SWEDEN	9,271,415	8,682,563	0	0	588,852
SWITZERLAND	9,116,083	8,869,839	242,600	0	3,644
TURKMENISTAN	56,603	0	0	0	56,603
UKRAINE	12,841,967	785,600	0	0	12,056,367
UNITED ARAB EMIRATES	1,623,182	559,639	0	0	1,063,543
UNITED KINGDOM	40,096,675	19,664,354	0	20,432,321	0
UNITED STATES OF AMERICA	173,751,570	144,189,080	10,296,412	0	19,266,078
UZBEKISTAN	1,362,934	0	0	0	1,362,934
SUB -TOTAL	679,823,539	437,445,442	16,926,366	95,456,544	129,995,187
DISPUTED CONTRIBUTIONS	8,098,267	0	0	0	8,098,267 **
TOTAL	687,921,806	437,445,442	16,926,366	95,456,544	138,093,454

* Outstanding contribution withheld for bilateral cooperation

** In this table, the amounts disputed by France, Germany, Italy, Japan and the United Kingdom have been deducted from their agreed 1996 contributions and are shown here as an aggregate total only

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
1994 - 1996 SUMMARY CONTRIBUTIONS STATUS
AS AT 31 JANUARY 1997

PARTY	AGREED CONTRIBUTIONS (US \$)	CASH PAYMENTS (US \$)	BILATERAL ASSISTANCE (US \$)	PROMISSORY NOTES (US \$)	OUTSTANDING CONTRIBUTIONS (US \$)
AUSTRALIA	7,845,588	7,142,371	703,217	0	0
AUSTRIA	4,123,053	3,991,263	116,628	0	15,162
AZERBAIJAN	63,182	0	0	0	63,182
BELARUS	2,184,016	0	0	0	2,184,016
BELGIUM	5,452,741	5,452,741	0	0	0
BRUNEI DARUSSALAM	34,833	0	0	0	34,833
BULGARIA	597,218	453,534	0	0	143,684
CANADA	16,253,343	9,709,223	1,353,150	0	5,190,970
CYPRUS	122,023	122,023	0	0	0
CZECH REPUBLIC	1,918,089	1,918,089	0	0	0
DENMARK	3,517,291	3,312,291	205,000	0	0
FINLAND	3,064,031	2,848,940	103,440	0	111,651
FRANCE	31,398,558	0	1,571,603	29,826,955	0
GEORGIA	90,020	0	0	0	90,020
GERMANY	46,731,522	14,240,256	1,336,918	31,154,348	0
GREECE	1,882,874	1,882,874	0	0	0
HUNGARY	871,800	871,800	0	0	0
ICELAND	156,911	156,911	0	0	0
IRELAND	993,714	941,958	0	0	51,756
ISRAEL	1,268,293	1,268,293	0	0	0
ITALY	22,449,969	17,051,618	0	0	5,398,351
JAPAN	65,152,008	43,434,672	0	0	21,717,336
KUWAIT	0	0	0	0	0
LATVIA	143,684	0	0	0	143,684
LIECHTENSTEIN	52,304	52,304	0	0	0
LITHUANIA	148,038	0	0	0	148,038
LUXEMBOURG	331,238	331,238	0	0	0
MALTA	0	0	0	0	0
MONACO	52,304	52,304	0	0	0
NETHERLANDS	7,997,927	5,233,094	0	2,764,833	0
NEW ZEALAND	1,255,284	1,255,284	0	0	0
NORWAY	2,894,111	2,894,111	0	0	0
PANAMA	16,915	16,915	0	0	0
POLAND	2,227,501	0	0	0	2,227,501
PORTUGAL	1,176,693	697,746	0	0	478,947
RUSSIAN FEDERATION	31,159,609	0	0	0	31,159,609
SINGAPORE	209,324	169,324	40,000	0	0
SLOVAKIA	597,218	226,767	0	0	370,451
SLOVENIA	61,290	0	0	0	61,290
SOUTH AFRICA	1,992,053	1,650,378	30,000	0	311,675
SPAIN	11,022,275	11,022,275	0	0	0
SWEDEN	6,010,335	5,421,483	0	0	588,852
SWITZERLAND	5,979,856	5,733,612	242,600	0	3,644
TURKMENISTAN	56,603	0	0	0	56,603
UKRAINE	8,509,377	0	0	0	8,509,377
UNITED ARAB EMIRATES	1,063,543	0	0	0	1,063,543
UNITED KINGDOM	26,270,127	5,837,806	0	20,432,321	0
UNITED STATES OF AMERICA	113,750,001	87,749,621	6,734,302	0	19,266,078
UZBEKISTAN	1,146,544	0	0	0	1,146,544
SUB-TOTAL	440,295,231	243,143,119	12,436,858	84,178,457	100,536,797
DISPUTED CONTRIBUTIONS	8,098,267	0	0	0	8,098,267
TOTAL	448,393,498	243,143,119	12,436,858	84,178,457	108,635,064

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
1991- 1993 SUMMARY CONTRIBUTIONS STATUS
AS AT 31 JANUARY 1997

PARTY	AGREED CONTRIBUTIONS (US \$)	CASH PAYMENTS (US \$)	BILATERAL ASSISTANCE (US \$)	PROMISSORY NOTES (US \$)	OUTSTANDING CONTRIBUTIONS (US \$)
AUSTRALIA	4,324,254	4,280,543	43,711	0	0
AUSTRIA	2,089,187	2,089,187	0	0	0
AZERBAIJAN	0	0	0	0	0
BELARUS	1,125,577	0	0	0	1,125,577
BELGIUM	3,135,548	3,135,548	0	0	0
BRUNEI DARUSSALAM	0	0	0	0	0
BULGARIA	299,989	299,989	0	0	0
CANADA	8,694,777	7,861,444	833,333	0	0
CYPRUS	26,647	26,647	0	0	0
CZECH REPUBLIC	931,484	931,484	0	0	0
DENMARK	1,882,307	1,882,307	0	0	0
FINLAND	1,510,603	1,510,603	0	0	0
FRANCE	17,199,536	5,921,449	0	11,278,087	0
GEORGIA	0	0	0	0	0
GERMANY	25,683,945	25,665,567	18,378	0	0
GREECE	1,055,470	1,055,470	0	0	0
HUNGARY	549,125	549,125	0	0	0
ICELAND	84,156	84,156	0	0	0
IRELAND	504,940	504,940	0	0	0
ISRAEL	306,443	306,443	0	0	0
ITALY	11,592,538	11,592,538	0	0	0
JAPAN	33,349,034	33,349,034	0	0	0
KUWAIT	286,549	0	0	0	286,549
LATVIA	0	0	0	0	0
LIECHTENSTEIN	28,052	28,052	0	0	0
LITHUANIA	0	0	0	0	0
LUXEMBOURG	168,314	168,314	0	0	0
MALTA	28,052	28,052	0	0	0
MONACO	7,483	7,483	0	0	0
NETHERLANDS	4,428,759	4,428,759	0	0	0
NEW ZEALAND	673,252	673,252	0	0	0
NORWAY	1,542,871	1,542,871	0	0	0
PANAMA	0	0	0	0	0
POLAND	1,099,528	473,318	0	0	626,210
PORTUGAL	531,587	531,587	0	0	0
RUSSIAN FEDERATION	23,654,002	0	0	0	23,654,002
SINGAPORE	321,897	289,921	31,976	0	0
SLOVAKIA	359,154	356,482	0	0	2,672
SLOVENIA	0	0	0	0	0
SOUTH AFRICA	1,209,055	1,209,055	0	0	0
SPAIN	5,510,150	5,510,150	0	0	0
SWEDEN	3,261,080	3,261,080	0	0	0
SWITZERLAND	3,136,227	3,136,227	0	0	0
TURKMENISTAN	0	0	0	0	0
UKRAINE	4,332,590	785,600	0	0	3,546,990
UNITED ARAB EMIRATES	559,639	559,639	0	0	0
UNITED KINGDOM	13,826,548	13,826,548	0	0	0
UNITED STATES OF AMERICA	60,001,569	56,439,459	3,562,110	0	0
UZBEKISTAN	216,390	0	0	0	216,390
TOTAL	239,528,308	194,302,323	4,489,508	11,278,087	29,458,390

ANNEX II**TERMS OF REFERENCE OF THE CONSULTANCY ON THE ADMINISTRATIVE COSTS OF THE IMPLEMENTING AGENCIES**

1. Decision VIII/4 of the Eighth Meeting of the Parties requested:

“That the Executive Committee should, over the next three years, work toward the goal of reducing agency support costs from their current level of 13 per cent to an average of below 10 per cent to make more funds available for other activities. The Executive Committee should report to the Parties annually on their progress, and the Parties may adjust the goal accordingly;”
2. In accordance with this decision, the consultant will work with the Secretariat and the implementing agencies to identify options and approaches for reducing the overall level of administrative costs focusing on revising the current uniform, fee-based approach.
3. Options to be considered could include:
 - (a) Establishment of different rates of support costs for different types of projects and projects in different sectors;
 - (b) Establishment of a sliding scale of support costs for different sized investment projects.
4. The option of deciding support costs on a project-by-project basis is excluded.
5. In undertaking this work, the consultant should take account of the previous reports prepared on this subject.
6. The consultant should also take account of experience in similar multilateral funding mechanisms.
7. The consultant will provide a report on progress to the Executive Committee at its Twenty-second Meeting.

Annex III

Project proposals approved for funding through bilateral cooperation

Country	Project Title	Year of contributions (1)	Contributing country	Funds Approved
Fumigant				
Methyl bromide				
*Kenya	Replacement of methyl bromide with non ozone depleting substances in grain storage	1996	Australia	\$232,834
Refrigeration				
Non-investment				
Cote D'Ivoire	Refrigeration management plan preparation	1997	France	\$25,000
Senegal	Training of technicians in domestic refrigeration and air conditioning	1996	France	\$16,500
Several				
Country programme/country survey				
Madagascar	Country programme preparation	1997	France	\$40,000
			TOTAL:	\$314,334

(*) Approved inter-sessionally by the Executive Committee between the 20th and 21st Meetings

(1) The year to which the bilateral contribution is credited.

WORK PROGRAMME

Country	Project Title	Agency	Funds Recommended Project	Support	(US\$) Total
Foam					
Non-investment					
Argentina	Project preparation in the foam sector	UNDP	\$35,000	\$4,550	\$39,550
Bolivia	Project preparation in the foam sector	UNDP	\$25,000	\$3,250	\$28,250
Brazil	Project preparation in the foam sector	UNDP	\$100,000	\$13,000	\$113,000
Croatia	Project formulation of investment projects in the foam sector	UNIDO	\$30,000	\$3,900	\$33,900
Egypt	Project preparation in the foam sector	UNDP	\$40,000	\$5,200	\$45,200
Gambia	Project preparation in the foam sector	UNDP	\$20,000	\$2,600	\$22,600
Guatemala	Project preparation in the foam sector	UNDP	\$25,000	\$3,250	\$28,250
Guinea	Project formulation of investment projects in the foam sector	UNIDO	\$20,000	\$2,600	\$22,600
Honduras	Project formulation of investment projects in the foam sector	UNIDO	\$30,000	\$3,900	\$33,900
Malawi	Project preparation in the foam sector	UNDP	\$15,000	\$1,950	\$16,950
Morocco	Project preparation in the foam sector	UNDP	\$80,000	\$10,400	\$90,400
Nigeria	Project preparation in the foam sector <i>To request the World Bank, as the implementing agency for the Nigeria country programme to report on the status of Nigeria's country programme at the Twenty-second Meeting. UNIDO and UNDP should keep their 1997 business plans allocations pending the submission of the World Bank's report and should propose a way forward thereafter</i>	UNDP	\$55,000	\$7,150	\$62,150
Panama	Project preparation in the foam sector	UNDP	\$15,000	\$1,950	\$16,950
Syria	Project preparation in the flexible foam sector	UNIDO	\$10,000	\$1,300	\$11,300
Venezuela	Project formulation of investment projects in the foam sector	UNIDO	\$30,000	\$3,900	\$33,900
Fumigant					
Non-investment					
Colombia	Project formulation of investment projects in the methyl bromide sector	UNIDO	\$7,140	\$928	\$8,068

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
Guatemala	Project formulation of investment projects in the methyl bromide sector	UNIDO	\$7,140	\$928	\$8,068
Region: AFR	Regional survey and workshop on methyl bromide for French-speaking African countries	UNEP	\$275,000	\$35,750	\$310,750
Halon					
Non-investment					
China	Project preparation in the halon sector	IBRD	\$133,000	\$17,290	\$150,290
Global	Provide International Halon Bank Management International Clearinghouse services	UNEP	\$85,000	\$11,050	\$96,050
Refrigeration					
Non-investment					
Argentina	National train the trainer programme on good practices in refrigeration	UNEP	\$215,000	\$27,950	\$242,950
Bahamas	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$15,000	\$1,950	\$16,950
Bahrain	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$45,000	\$5,850	\$50,850
Bangladesh	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$10,000	\$1,300	\$11,300
Botswana	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$20,000	\$2,600	\$22,600
Dominican Republic	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$10,000	\$1,300	\$11,300
El Salvador	Project preparation in the refrigeration sectors	UNDP	\$45,000	\$5,850	\$50,850
Gabon	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$20,000	\$2,600	\$22,600
Guatemala	National train the trainer programme on refrigeration management plan and good practices in refrigeration	UNEP	\$70,000	\$9,100	\$79,100
Guinea	Development of refrigerant management plan	UNEP	\$20,000	\$2,600	\$22,600
India	Project preparation in the refrigeration sector	IBRD	\$243,000	\$31,590	\$274,590
Indonesia	Project preparation in the refrigeration sector	UNDP	\$75,000	\$9,750	\$84,750
Lesotho	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$20,000	\$2,600	\$22,600
Mozambique	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$20,000	\$2,600	\$22,600
Nicaragua	Project formulation of investment projects in the refrigeration sector	UNIDO	\$50,000	\$6,500	\$56,500

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
Niger	Project preparation in refrigeration recycling <i>To be integrated into a refrigerant management plan</i>	UNDP	\$20,000	\$2,600	\$22,600
Peru	National train the trainer programme on refrigeration management plan and good practices in refrigeration	UNEP	\$70,000	\$9,100	\$79,100
Philippines	Project preparation in the refrigeration sector	UNDP	\$35,000	\$4,550	\$39,550
Saint Lucia	Development of a refrigeration management plan	UNEP	\$15,000	\$1,950	\$16,950
Global	Study on drop-in substitutes for domestic refrigeration	UNEP	\$80,000	\$10,400	\$90,400
Global	Assistance for formulation refrigeration management plans for 5 LVCs	UNEP	\$150,000	\$19,500	\$169,500
Solvent					
Non-investment					
China	Preparation of a sectoral financing plan for the solvents sector	UNDP	\$200,000	\$26,000	\$226,000
Egypt	Project preparation in the solvent sector <i>No funds should be expended until UNIDO reports to the Executive Committee that further progress has been made on existing solvent projects in Egypt</i>	UNIDO	\$15,000	\$1,950	\$16,950
Several					
Country programme/country survey					
Bosnia and Herzegovina	Country programme preparation	UNIDO	\$80,000	\$10,400	\$90,400
China	Update of the country programme and policy workshop	UNDP	\$225,000	\$29,250	\$254,250
Dominica	Country programme preparation	UNEP	\$40,000	\$5,200	\$45,200
Grenada	Country programme preparation	UNEP	\$40,000	\$5,200	\$45,200
Marshall Islands	Country programme preparation	UNEP	\$40,000	\$5,200	\$45,200
Qatar	Preparation of the country programme	UNIDO	\$80,000	\$10,400	\$90,400
Saint Vincent and the Grenadines	Country programme preparation	UNEP	\$40,000	\$5,200	\$45,200
Tuvalu	Country programme preparation	UNEP	\$40,000	\$5,200	\$45,200
Yugoslavia	Country programme preparation	UNIDO	\$80,000	\$10,400	\$90,400
Document/video/diskette					
Global	Update existing technical brochure series to include 1994/95 TOC data	UNEP	\$40,000	\$5,200	\$45,200

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
Global	Update the OAIC diskette version including "Simple Search" versions of prioritized OzonAction publications	UNEP	\$63,000	\$8,190	\$71,190
Global	Publish the OzonAction newsletter and special supplements	UNEP	\$335,000	\$43,550	\$378,550
Global	Develop a handbook on the practical use of policy instruments	UNEP	\$50,000	\$6,500	\$56,500
Global	Translate prioritized OzonAction Programme documents into French and Spanish	UNEP	\$40,000	\$5,200	\$45,200
Information exchange					
Global	Conduct outreach at conferences and workshops	UNEP	\$50,000	\$6,500	\$56,500
Global	Maintain contact data base of experts and mailing list for OzonAction Programme publications	UNEP	\$40,000	\$5,200	\$45,200
Global	Deliver OzonAction newsletter and other information through the World Wide Web home page	UNEP	\$25,000	\$3,250	\$28,250
Global	Develop awareness materials for 1999 freeze to support national initiatives on awareness raising	UNEP	\$50,000	\$6,500	\$56,500
Global	Collect prioritized sectoral data from worldwide sources	UNEP	\$107,000	\$13,910	\$120,910
Global	Provide direct query-response service	UNEP	\$80,000	\$10,400	\$90,400
Global	Disseminate awareness materials, technical and policy information	UNEP	\$340,000	\$44,200	\$384,200
Institutional strengthening					
Costa Rica	Renewal of institutional strengthening project	UNDP	\$108,087	\$14,051	\$122,138
Egypt	Institutional strengthening (extension of Phase II)	UNIDO	\$175,630	\$22,832	\$198,462
Korea, DPR	Establishment of a National Ozone Cell	UNEP	\$142,560	\$18,533	\$161,093
Paraguay	Institutional strengthening <i>To request UNEP to proceed with the disbursement of the first one-year tranche of the funds approved for institutional strengthening, but subsequent disbursements would be contingent on the submission of a report to the Executive Committee on the status of development of a refrigerant management plan (Decision 20/4)</i>	UNEP	\$66,300	\$8,619	\$74,919
Saint Kitts and Nevis	Institutional strengthening <i>To request UNEP to proceed with the disbursement of the first one-year tranche of the funds approved for institutional strengthening, but subsequent disbursements would be contingent on the submission of a report to the Executive Committee on the status of development of a refrigerant management plan (Decision 20/4)</i>	UNEP	\$30,000	\$3,900	\$33,900

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
Saint Lucia	Establishment of an Ozone Cell <i>To request UNEP to proceed with the disbursement of the first one-year tranche of the funds approved for institutional strengthening, but subsequent disbursements would be contingent on the submission of a report to the Executive Committee on the status of development of a refrigerant management plan (Decision 20/4)</i>	UNEP	\$36,580	\$4,755	\$41,335
Network					
Region: AFR	African Region Network	UNEP	\$411,000	\$53,430	\$464,430
Region: ASP	South Asian Region Network	UNEP	\$199,000	\$25,870	\$224,870
Region: ASP	West Asian Region Network	UNEP	\$110,000	\$14,300	\$124,300
Region: LAC	Latin American Region Network	UNEP	\$380,000	\$49,400	\$429,400
Non-investment					
Global	Travel (1997)	UNEP	\$75,000	\$9,750	\$84,750
Global	Advisory and expert group meetings	UNEP	\$75,000	\$9,750	\$84,750
Project preparation					
Algeria	Project formulation of investment projects in the aerosol, foam and refrigeration sectors	UNIDO	\$50,000	\$6,500	\$56,500
Argentina	Project preparation <i>No funds should be expended for this activity until the World Bank reports to the Executive Committee that progress has been made with implementation of existing projects</i>	IBRD	\$45,000	\$5,850	\$50,850
Argentina	Project preparation in the refrigeration and methyl bromide sectors	UNIDO	\$32,140	\$4,178	\$36,318
Brazil	Project preparation in the refrigeration and methyl bromide sectors	UNIDO	\$57,140	\$7,428	\$64,568
Cameroon	Project formulation of investment projects in the foam and refrigeration sectors <i>No new project preparation activities should be considered until the Executive Committee receives an account of what the remaining ODS use in the country comprised</i>	UNIDO	\$50,000	\$6,500	\$56,500
China	Project preparation in the foam, refrigeration and solvent sectors	UNDP	\$200,000	\$26,000	\$226,000
China	Project preparation <i>The recommended amount might be increased if the pre-conditions set in the World Bank work programme are met</i>	IBRD	\$250,000	\$32,500	\$282,500

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
China	Project preparation in the refrigeration (including compressors), solvents and methyl bromide sectors	UNIDO	\$182,140	\$23,678	\$205,818
Colombia	Project preparation identification <i>No funds should be expended until the existing impediments to project implementation in the country had been removed</i>	IBRD	\$15,000	\$1,950	\$16,950
Costa Rica	Project preparation in the foam, refrigeration and solvent sectors	UNDP	\$35,000	\$4,550	\$39,550
Ecuador	Project preparation	IBRD	\$15,000	\$1,950	\$16,950
India	Project preparation in the foam and refrigeration sectors	UNDP	\$120,000	\$15,600	\$135,600
Indonesia	Project preparation	IBRD	\$179,000	\$23,270	\$202,270
Indonesia	Project formulation of investment projects in the aerosol and foam sectors	UNIDO	\$20,000	\$2,600	\$22,600
Iran	Project formulation in the commercial refrigeration sector (remaining enterprises), compressors and the foam sectors	UNIDO	\$50,000	\$6,500	\$56,500
Jamaica	Project preparation in the aerosol, foam and refrigeration sectors	UNDP	\$30,000	\$3,900	\$33,900
Korea, DPR	Project formulation of investment projects in all sectors	UNIDO	\$70,000	\$9,100	\$79,100
Malaysia	Project preparation in the foam and refrigeration sectors <i>No new requests for project preparation should be considered until the Executive Committee receives an account of what remains to be accomplished by way of phase-out of ODS consumption in the country</i>	UNDP	\$100,000	\$13,000	\$113,000
Malaysia	Project preparation <i>No new requests for project preparation should be considered until the Executive Committee receives an account of what remains to be accomplished by way of phase-out of ODS consumption in the country</i>	IBRD	\$27,000	\$3,510	\$30,510
Mexico	Project preparation in the foam and solvent sectors	UNDP	\$52,000	\$6,760	\$58,760
Mexico	Project preparation <i>No new project preparation funding is to be considered for retrofitting projects in the commercial refrigeration sector in the absence of guidelines approved by the Executive Committee. The World Bank should be requested to propose such guidelines for the consideration of the Executive Committee at its 22nd Meeting</i>	IBRD	\$60,000	\$7,800	\$67,800
Morocco	Project formulation of investment projects in domestic refrigeration and methyl bromide sectors	UNIDO	\$22,150	\$2,880	\$25,030
Pakistan	Project preparation in the foam and refrigeration sectors	IBRD	\$45,000	\$5,850	\$50,850

WORK PROGRAMME

Country	Project Title	Agency	Funds Recommended (US\$)		
			Project	Support	Total
Thailand	Project preparation	IBRD	\$125,000	\$16,250	\$141,250
Thailand	Project preparation in the foam and refrigeration sectors	UNDP	\$100,000	\$13,000	\$113,000
Trinidad and Tobago	Project preparation in the aerosol, refrigeration and solvent sectors	UNDP	\$40,000	\$5,200	\$45,200
Tunisia	Project formulation in the aerosol, foam, solvents and methyl bromide sectors <i>No new requests for project preparation should be considered until the Executive Committee has received and account of the remaining ODS uses in the country</i>	UNIDO	\$27,150	\$3,530	\$30,680
Turkey	Project preparation	IBRD	\$96,000	\$12,480	\$108,480
Uruguay	Project preparation	IBRD	\$20,000	\$2,600	\$22,600
Venezuela	Project preparation	IBRD	\$10,000	\$1,300	\$11,300
Venezuela	Project preparation in commercial refrigeration recovery and recycling and in the production sector <i>No funds would be expended on the production sector component of the activity (\$120,000) until guidelines for that sector had been approved</i>	UNDP	\$155,000	\$20,150	\$175,150
Global	IFC concessional financing study	IBRD	\$60,000	\$7,800	\$67,800
TOTAL:			\$8,534,157	\$1,109,440	\$9,643,597

INVESTMENT PROJECT

Country	Project Title	Agency	Funds Recommended Project	(US\$) Support	Total	C.E. (US\$/kg)
Aerosol						
Filling plant						
Syria	Phasing out CFCs at Careesse Cosmetics	UNIDO	\$272,621	\$35,441	\$308,062	1.47
Foam						
Flexible						
Syria	Phasing out CFC-11 at Abdul Karim Sbei	UNIDO	\$92,256	\$11,993	\$104,249	1.49
Syria	Phasing out CFC-11 at Walid and Nabil Rankousi Ltd. <i>UNIDO should ensure that adequate mitigating measures are taken by the company in order to ensure that the phase out of the use of CFC-11 in the factory is compatible with acceptable standards of safety</i>	UNIDO	\$86,782	\$11,282	\$98,064	2.24
Lebanon	Phasing out CFC-11 at E.T.S. Henri Abdallah P.F.M.	UNIDO	\$81,291	\$10,568	\$91,859	4.90
Other						
Tobacco fluffing						
Indonesia	Conversion of tobacco expansion process from CFC-11 to carbon dioxide at PT Hanjaya Mandal Sampoerna and P.T. Djarum	IBRD	\$1,214,000	\$157,820	\$1,371,820	13.49
Refrigeration						
Domestic						
Indonesia	Engineering assistance for the elimination of ODS used in the production of household refrigerators at PT. Samsung Maspion Indonesia (SMI)	IBRD	\$537,226	\$69,839	\$607,065	5.15
Thailand	Elimination of ozone depleting substances used in the production of household refrigerators at A.P. National Co. Ltd.	IBRD	\$311,150	\$40,450	\$351,600	5.76
Thailand	Elimination of ozone depleting substances used in the production of household refrigerators at Sanyo Universal Electric Co. Ltd.	IBRD	\$1,467,055	\$190,717	\$1,657,772	8.58
Thailand	Elimination of ODS used in the production of household refrigerators at Thai Toshiba Electric Industries Co., Ltd.	IBRD	\$316,957	\$41,204	\$358,161	12.80
TOTAL:			\$4,379,338	\$569,314	\$4,948,652	

Summary of approved project proposals

Sector	Tonnes ODP	Funds Approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant		\$232,834		\$232,834
Refrigeration		\$41,500		\$41,500
Several		\$40,000		\$40,000
TOTAL:		\$314,334		\$314,334
INVESTMENT PROJECT				
Aerosol	185.0	\$272,621	\$35,441	\$308,062
Foam	117.0	\$260,329	\$33,843	\$294,172
Other	90.0	\$1,214,000	\$157,820	\$1,371,820
Refrigeration	629.3	\$2,632,388	\$342,210	\$2,974,598
TOTAL:	1,021.3	\$4,379,338	\$569,314	\$4,948,652
WORK PROGRAMME/AMENDMENT				
Foam		\$530,000	\$68,900	\$598,900
Fumigant		\$289,280	\$37,606	\$326,886
Halon		\$218,000	\$28,340	\$246,340
Refrigeration		\$1,248,000	\$162,240	\$1,410,240
Solvent		\$215,000	\$27,950	\$242,950
Several		\$6,033,877	\$784,404	\$6,818,281
TOTAL:		\$8,534,157	\$1,109,440	\$9,643,597
GRAND TOTAL:	1,021.3	\$13,227,829	\$1,678,754	\$14,906,583

Distribution by Implementing Agency

IBRD	719.3	\$5,169,388	\$672,020	\$5,841,408
UNDP		\$2,110,087	\$274,311	\$2,384,398
UNEP		\$3,925,440	\$510,307	\$4,435,747
UNIDO	302.0	\$1,708,580	\$222,115	\$1,930,695
Bilateral cooperation		\$314,334		\$314,334

ANNEX VI**INITIAL GUIDANCE TO ALLOW FURTHER DEVELOPMENT BY CHINA AND
THE WORLD BANK OF THE HALON SECTOR APPROACH PILOT PROGRAMME
UNDER AN UMBRELLA AGREEMENT**

1. The "sector approach" to financing ODS phase-out would be based on a programme submitted by a Beneficiary Party (a Government eligible for Multilateral Fund support) to completely phase out all ODS consumption in a given sector (e.g., aerosol or halon). The programme would include an ODS phase-out schedule and the policy and other measures to achieve phase-out. The total funding level to be covered by the Multilateral Fund for the entire sector phase-out programme would be agreed up-front by the Executive Committee. These agreed costs should represent efficiency, as compared to the project-by-project approach, in the use of Multilateral Fund resources based on \$/kg of ODP which would be phased out. Funding tranches would be approved each year by the Executive Committee based on the agreed phase-out schedule, satisfactory progress reports, and actual ODS phase-out. National level phase-out would be independently verified. As long as the ODS phase-out schedule is met year-by-year, new funding tranches would continue to be approved in amounts which had been agreed up-front by the Executive Committee.
2. The sector approach programme for submission to the Executive Committee should contain the following:
 - (a) Baseline information on ODS production, consumption, imports and exports for the sector. This information should provide sufficient and representative data on enterprises (size, product mix, plant life, production capacity and actual production) for analysis of likely incremental costs of phase-out under a project-by-project funding approach. Any discrepancies between baseline information in the programme and information previously reported to either the Executive Committee or the Parties of the Protocol would be explained;
 - (b) The ODS production and/or consumption phase-out schedule with explicit annual phase-out targets;
 - (c) Specific policy and other measures for achieving the phase-out schedule;
 - (d) Total funding request from the Multilateral Fund based on calculation of incremental costs (including clear and transparent explanation of methodology and assumptions used in calculations so that the costs can be independently verified) and annual grant funding requests to meet phase-out targets. Where the programme includes elements of industrial consolidation, these should be reflected in the cost calculations;

- (e) Explanation of savings achieved through the sector approach as compared to the project-by-project approach. Any base-case analysis used to provide a cost comparison should take account of existing government policies, Montreal Protocol controls, and relevant Executive Committee policies and guidelines including Executive Committee decision 17/7, by which the Committee decided, in the light of technological advances, not to consider any projects to convert any ODS-based capacity installed after 25 July 1995. If possible, comparisons could also be made to incremental costs incurred by countries which have already completed phase-out.
 - (f) Work/action plan for first implementation phase (12-18 months to allow for start-up activities);
 - (g) Reporting provisions for monitoring and evaluation by different stakeholders of policy and other actions and ODS phase-out targets which at a minimum would include semi-annual progress reports on actions (e.g., plant closures, conversions, etc.) and phase-out achieved. Explanation of provisions to allow for external verification.
3. In making its recommendation on the sector approach programme, the Executive Committee may want to compare the cost-effectiveness of the sector approach programme to:
- (a) Cost-effectiveness thresholds applicable to projects of the type included in the sector approach;
 - (b) Average cost-effectiveness for approved projects which are similar to the type included in the sector approach;
 - (c) Actual cost effectiveness of projects similar to the type included in the sector approach as reported in monitoring and evaluation reports.
4. Funds for implementation of sector approach programmes would be approved in two steps:
- (a) Step 1. Approval of the sector approach programme would be an agreement by the Executive Committee to approve future funding requests for implementation of the programme at the funding levels noted in the programme. Approval of the programme would bind the Beneficiary Party to its phase-out schedule as a precondition for future requests for Multilateral Fund funds for activities in that sector. Approval of the programme would also limit the Multilateral Fund funds for which the Beneficiary Party could apply to the total funding level agreed in the programme. Approval of the programme would include approval of funds for implementation of the first implementation phase (12-18 month implementation plan to allow for start-up activities);

- (b) Step 2. Future annual funding requests would be made based on the amounts included in the approved programme and the annual action/work plan agreed with the Implementing Agency. The Executive Committee would approve such annual funding requests based on the programme's ODS phase-out schedule, satisfactory progress reports, and actual ODS phase-out. As such, funds for ODS phase-out in the second year would be based on satisfactory progress reports. Funding of the third year would be approved based on achievement of the first-year ODS phase-out target and satisfactory progress reports, and so on.
5. Funds approved under the sector approach programmes may be disbursed by the Implementing Agency and the Beneficiary Party based on performance targets in the programme, e.g., \$/kg of ODP phased out. Beneficiary Parties will have the flexibility to use grant funds in accordance with the umbrella agreement.
6. The Implementing Agency would be responsible for supervising implementation of annual action/work based on an agreed monitoring and evaluation framework. National level reductions in ODS production and consumption (as per programme targets) would be verified by a technical audit by ... (terms of reference would be developed by ...).

ANNEX VII**TERMS OF REFERENCE OF THE MONITORING, EVALUATION,
AND FINANCE SUB-COMMITTEE**

1. The Executive Committee at its Twenty-first Meeting decided to create a standing sub-committee entitled the Monitoring, Evaluation and Finance Sub-Committee which will replace the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee.
2. The Sub-Committee will be a standing committee. It will be appointed for a period of one year coinciding with the term of the Chair and Vice-Chair of the Executive Committee. In accordance with past practice, the Chair of the Sub-Committee will be determined by the membership and alternate among members from one Meeting of the Parties to the next.
3. The Sub-Committee shall consist of three Executive Committee members from Parties operating under paragraph 1 of Article 5 of the Protocol and three members from Parties not so operating, as determined by the respective groups. The Treasurer and the Secretariat will assist the Sub-Committee in its work and participate in Sub-Committee meetings. Implementing agencies may be invited to participate. The Sub-Committee is empowered to require the attendance of any implementing agency on any matter causing concern to the Sub-Committee.
4. The Sub-Committee will be a closed Committee. Executive Committee members may be admitted as observers with the express agreement of the Chairman. With the concurrence of all members of the Sub-Committee, the Chairman could invite the observers to speak. Three representatives from non-governmental organizations (NGOs) - one nominated by environmental NGOs, one by industry NGOs and one by NGOs from the academic community - may observe the meeting of the Sub-Committee but may not participate.
5. The working language of the meeting of the Sub-Committee will be English.
6. The Sub-Committee will address issues concerning monitoring and evaluation of approved projects, progress reports, business plans, and the business planning process under the Multilateral Fund. All of the responsibilities of the Sub-Committee on Financial Matters established at the Ninth Meeting of the Executive Committee are transferred to the Monitoring, Evaluation, and Finance Sub-Committee.