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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-seventh Meeting
Montreal, 17-19 July 2002

**REPORT OF THE TWENTY-SIXTH MEETING OF THE
SUB-COMMITTEE ON PROJECT REVIEW**

Introduction

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol met in Montreal, on 15 and 16 July 2002.
2. The meeting was attended by representatives of Burundi, China, Colombia (Chair), France, Japan, Poland and the United States of America, as well as by representatives of the implementing agencies and of the Ozone Secretariat.
3. The meeting was also attended by the representative of the Alliance for Responsible for Atmospheric Policy as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

4. The meeting was opened by the Chairman of the Sub-Committee, Mr. Javier Camargo (Colombia), at 10 a.m. on Monday, 15 July 2002.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

5. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/26/1:

1. Opening of the meeting
2. Adoption of the agenda
3. Introductory remarks by the Chief Officer
4. Organization of work
5. Issues identified during project review
6. Bilateral cooperation
7. Work programme amendments:
 - (a) 2002 Work programme amendments of UNDP;
 - (b) 2002 Work programme amendments of UNEP;
 - (c) 2002 Work programme amendments of UNIDO;
 - (d) 2002 Work programme amendment of the World Bank.
8. Investment projects
9. Policy papers:
 - (a) Status report on liquid carbon dioxide (LCD) technology and guidelines for LCD projects;
 - (b) Draft guidelines for metered dose inhaler (MDI) projects;
 - (c) Funding of technology that is not in public domain: follow-up to Decision 36/52;
 - (d) Report by UNEP on the progress made in the implementation of the Compliance Assistance Programme (CAP);
 - (e) A review of the policy and use of administrative fees at the World Bank under the Multilateral Fund for the implementation of the Montreal Protocol (submitted by the World Bank).

10. Other matters
11. Adoption of the report
12. Closure of the meeting

AGENDA ITEM 3: INTRODUCTORY REMARKS BY THE CHIEF OFFICER

6. The Chief Officer welcomed the members of the Sub-Committee on Project Review. He said that the agenda of the current meeting would focus mainly on proposals on issues identified during project review, as well as on investment projects submitted by bilateral and implementing agencies; the Sub-Committee would also consider work programme amendments for the implementing agencies for the year 2002. Additionally, five policy papers were submitted for the Sub-Committee's consideration.

7. The Chief Officer indicated that, at the current Meeting, the Sub-Committee would have to consider funding requests submitted in accordance with the agreements between the Executive Committee and the Governments of Malaysia and Thailand on the national CFC phase-out plans in those countries.

8. He pointed out that the total value of projects and activities received, including sectoral strategies and plans for submission to the 37th Meeting, was about US \$324 million.

9. He also pointed out that the review by the Fund Secretariat of proposals for the funding of projects and activities had resulted in a recommendation for blanket approvals of 89 investment projects as well as other activities in the amount of over US \$24 million. Thirty-three investment projects and other activities with a total value of over US \$17.4 million had been withdrawn or deferred, including projects which did not provide adequate information or the eligibility of which was in doubt. Seventeen investment projects and sector plans were submitted for individual consideration with a total value as requested of about US \$50 million. In the case of nine of those seventeen, agreement had already been reached between the Secretariat and the implementing agencies on the eligible incremental costs.

10. He reported that the funds available for commitment from the Multilateral Fund currently stood at US \$64 million, which would fund all of the projects and activities recommended for approval at the current meeting.

AGENDA ITEM 4: ORGANIZATION OF WORK

11. Following the suggestion of the Chair, the Sub-Committee decided to organise its work in accordance with the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/26/1 and the annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/26/1/Add.1/Rev.1.

AGENDA ITEM 5: ISSUES IDENTIFIED DURING PROJECT REVIEW

(a) Refrigerant management plans (RMPs) and terminal phase-out plans

12. The Chair drew the attention of the Sub-Committee to paragraph 4 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that a request for approval of a terminal phase-out plan for a low-volume-consuming country (Jamaica) and two requests for preparation of terminal phase-out plans in low-volume-consuming countries were submitted to the current meeting. He also indicated that the issue of whether RMP activities included in the business plans could be resubmitted as new terminal phase-out management plans was to be discussed during the present week by the Executive Committee; however, the Sub-Committee might wish to consider the relevant project proposals on their individual merits, but to agree that any positive recommendations would be subject to the outcome of the Executive Committee's discussions.

13. The Subcommittee agreed to follow the procedure proposed by the Chair.

(b) Phase-out plans in the refrigeration sector

14. The Chair drew the attention of the Sub-Committee to paragraph 5 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that in the refrigeration sector, the accurate determination of reductions in consumption for the purposes of verifying performance separately in an RMP covering the servicing sub-sector and a phase-out plan covering the manufacturing sub-sector, might not be practicable.

15. The Sub-Committee recommended that the Executive Committee might wish to urge Article-5 countries and implementing agencies wherever possible:

- (a) Not to separate phase-out plans for manufacturing and servicing, but to present sector phase-out plans for the complete refrigeration sector or for total CFC phase-out, as appropriate;
- (b) To clearly identify, during the preparation of project proposals the quantities of CFCs used as blowing agents and refrigerants.

(c) Refrigerant management plans for non-LVC countries

16. The Chair drew the attention of the Sub-Committee to paragraphs 6 and 7 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that two proposals had been submitted to the 37th Meeting for RMPs for large-volume-consuming countries. One of the proposals requested long-term funding commitments and payment in tranches with an undertaking to reduce consumption in the refrigeration-servicing sub-sector by 50 per cent and 85 per cent by 2005 and 2007, respectively. The Secretariat had suggested that the use of performance-based agreements with interim steps for RMPs was not appropriate.

17. The Sub-Committee recommended that the Executive Committee might wish to decide that, for RMPs in large-volume-consuming countries, interim steps should not be used in

performance agreements unless the use of CFCs for manufacturing had been completely phased out, and that the agreement should result in complete phase-out as if it were part of a national CFC phase-out plan or a sector plan.

(d) Projects with implementation times resulting in non-compliance

18. The Chair drew the attention of the Sub-Committee to paragraph 8 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that the issue concerned two sector plans that had been submitted to the 37th Meeting containing proposed implementation times and reductions in consumption that would not meet the relevant Montreal Protocol compliance targets. The first was a project to phase out the use of methyl bromide in grain storage in Egypt. The second proposal was for phase-out of CTC in the process agent sector in China.

19. Following a discussion, the Sub-Committee recommended that, pending any decision by the Meeting of the Parties, the Executive Committee:

- (a) Decide that project proposals in which a country would be in non-compliance with the control measures of the Montreal Protocol should not be approved by the Executive Committee until the underlying issue of non-compliance had been dealt with by the Parties, through the Implementation Committee;
- (b) Not approve the project proposed for Egypt;
- (c) Invite the Secretariat and the World Bank, and interested Executive Committee members, to continue working on the project for process agents in China to resolve technical issues and eligible incremental costs for consideration at a future meeting, when the underlying non-compliance issues were resolved.

(e) Reductions in consumption in the chiller sub-sector

20. The Chair drew the attention of the Sub-Committee to paragraph 9 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He recalled that policy guidance for projects to reduce consumption in chillers had last been provided by the Executive Committee at its 12th Meeting and that little priority had been given to chillers in Multilateral Fund projects. In recent years, two projects using loan mechanisms had been approved, one for Thailand and one for Mexico. One additional chiller project for Côte d'Ivoire had been submitted to the 37th Meeting as bilateral cooperation by the Government of France at a cost of US \$1 million as a part of a proposed US \$16 million project on energy efficiency. Because of the absence of guidelines, the Secretariat had not made a recommendation on the project.

21. Following a discussion, the Sub-Committee recommended that the Executive Committee request the Secretariat:

- (a) To re-examine the issues raised in the chiller sub-sector, taking into account the views expressed by the Executive Committee at the 37th Meeting; and

- (b) To report to a future meeting of the Executive Committee on:
 - (i) a possible update of policy guidance;
 - (ii) clarification of the nature of savings that could be envisaged as a result of increased energy efficiency;
 - (iii) how soon those energy savings might be realized.

(f) Transfer of institutional strengthening project

22. The Chair drew the attention of the Sub-Committee to paragraph 10 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that the Government of Mexico had advised the Secretariat that it wished to transfer the current phase of its institutional strengthening project, and the subsequent renewal of it, from UNDP to UNIDO. That it would involve transferring the balance of funds of US \$53,839 remaining unspent from the current project from UNDP to UNIDO, and a proposal for a sixth renewal of the project had been submitted by UNIDO as part of the amendment to its 2002 work programme. Following a discussion the Sub-Committee took note of the statement by the Chair.

(g) China solvent sector plan

23. The Chair drew the attention of the Sub-Committee to paragraph 11 of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He pointed out that UNDP had reported to the Secretariat on implementation of China's solvent sector phase-out plan but, as required under Decision 36/50, disbursement of funding for the 2002 programme had not taken place because the relevant information on the use of carbon tetrachloride as a process agent had not yet been provided by the Government of China.

24. Some representatives noted with concern that this was another case where UNDP had not been able to comply with the conditions of the performance agreement.

25. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the fact that disbursement of funds from the 2002 programme of the solvent sector phase-out plan had not yet taken place, in the absence of the submission of relevant information by the Government of China;
- (b) Look forward to a report from UNDP and the Government of China about China's ability to meet the requirements of the agreement.

(h) Projects with data discrepancies: implementation of Decision 34/18

26. The Chair drew the attention of the Sub-Committee to paragraphs 12 and 13 and Annex I of the overview paper (UNEP/OzL.Pro/ExCom/37/23 and Corr.1). He noted that the Secretariat had identified data discrepancies in 24 projects submitted to the 37th Meeting of the Executive Committee from three countries, India, Islamic Republic of Iran and Pakistan. As required by sub-paragraph (a) of Decision 34/18, the projects had not been submitted to the current meeting.

27. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the list of 24 projects;
- (b) Stipulate that the projects could be resubmitted for consideration by the Sub-Committee on Project Review at its next meeting, once the outstanding data discrepancy issues had been resolved;
- (c) Decide that, if the data discrepancies could not be resolved, the project proposals should be withdrawn from the 2002 business plan of the implementing agency concerned.

AGENDA ITEM 6: BILATERAL COOPERATION

28. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/24 and Corr.1 on bilateral cooperation. A total of 35 requests for bilateral cooperation, amounting to just over US \$28 million, had been submitted by the Governments of Canada, Czech Republic, France, Germany, Israel, Italy and Japan.

29. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for bilateral cooperation, as contained in document UNEP/OzL.Pro/ExCom/37/24 and Corr.1 with the amendments below, at the level of funding indicated in Annex I to the present report.

Jamaica: Terminal phase-out management plan for CFCs (Canada)
(UNEP/OzL.Pro/ExCom/37/42)

30. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/42. He pointed out that the Government of Jamaica had submitted a terminal CFC phase-out management plan to achieve a complete phase-out of ODS consumption by the end of 2005. He pointed out that the main issue with the project had been discussed under agenda item 5, RMPs and TPMPs. He recalled that the Sub-Committee had agreed that any positive recommendations would be subject to the outcome of the Executive Committee's discussions.

31. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the Canadian component of the above project at the level of funding indicated in

Annex I to the present report, in accordance with the agreement between the Government of Jamaica and the Executive Committee contained in Annex II to the present report, subject to consideration by the Executive Committee of whether low-volume-consuming countries with a refrigerant management plan were also eligible for terminal phase-out management plans.

Albania: Phase-out of ODS – help in introduction of non-ODS technologies in refrigeration and insulation (Czech Republic) (UNEP/OzL.Pro/ExCom/37/24 and Corr.1)

32. The Chair drew the attention of the Sub-Committee to paragraphs 5 to 8 of document UNEP/OzL.Pro/ExCom/37/24 and Corr.1. He pointed out that the Government of the Czech Republic had submitted a project to provide technical assistance and training in foam insulation to manufacturers of domestic refrigerators in foam insulation.

33. Following a discussion, the Sub-Committee recommended that the Executive Committee not approve the above project for funding, since UNIDO was assisting the Government of Albania in the preparation of a phase-out plan which would address all ODS uses in the country.

Côte d'Ivoire: ODS phase-out in 50 existing centrifugal chillers units (France) (UNEP/OzL.Pro/ExCom/37/34 and Corr.1)

34. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/34 and Corr.1. He pointed out that the project included the replacement of 50 CFC-based chillers, upgrading electrical systems and improvements in management of buildings, upgrading of water towers, water pumping systems and air treatment systems, auditing, training and monitoring. He pointed out that the issue on reductions in consumption in the chiller sub-sector had been discussed under Agenda Item 5. He recalled that the Sub-Committee recommended that the Secretariat be requested to re-examine the chiller sub-sector and report to a future meeting on a possible update of policy guidance.

35. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that the project, having a significant cost-share component and, being a demonstration project for the African region, would complete the cycle of demonstration projects in the chiller sub-sector for each region, and that no further chiller demonstration projects would be forthcoming.

Zimbabwe: Phase-out of methyl bromide in the tobacco sector (France) (UNEP/OzL.Pro/ExCom/37/56)

36. The above project was deferred by the Government of France, pending further clarification that the technical conditions were in place to ensure the feasibility of the implementation of the project.

37. One representative stated that, if the project were to be resubmitted to the Executive Committee for approval, his delegation would still retain its reservations about the project.

Iran: Conversion of the use of CFC to LCD in the manufacture of flexible foam at Abre Baspar foam company (Germany) (UNEP/OzL.Pro/ExCom/37/41 and Add.1)

38. The Chair drew the attention of the Sub-Committee to paragraphs 8 and 9 of document UNEP/OzL.Pro/ExCom/37/41 and Add.1. He indicated that, pending approval of updated guidelines for LCD projects, agreement had been reached to base project costs on the actual costs of capital equipment for projects currently under implementation in the Islamic Republic of Iran. That was lower than the requested costs.

39. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report.

40. The representative of France, speaking on behalf of Germany expressed his appreciation for the assistance of the Secretariat in reducing the capital cost of the project, which had enabled Germany, the bilateral donor, to agree to contingency costs of 7.5 per cent on an exceptional basis.

Nigeria: Sectoral phase-out programme: establishing a halon bank (Germany) (UNEP/OzL.Pro/ExCom/37/49)

41. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The regulations facilitating production and import bans would be established within six months after the reclamation centre had been set up; and
- (b) No further assistance from the Multilateral Fund would be requested from the Government of Nigeria for the halon sector.

Cuba: Project preparation for a CFC phase-out plan (Germany) (UNEP/OzL.Pro/ExCom/37/24 and Corr.1)

42. The Chair drew the attention of the Sub-Committee to paragraphs 29 to 35 of document UNEP/OzL.Pro/ExCom/37/24 and Corr.1, noting that a number of agencies had been involved in providing assistance to Cuba.

43. The representative of France explained that Germany was cooperating with Canada, which was implementing a project on the refrigerant management plan for Cuba.

44. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The project would be reformulated as an refrigerant management plan update;

- (b) The Government of Germany would cooperate closely with the Government of Canada in the updating of the refrigerant management plan.

Mauritius: Project preparation for a CFC phase-out plan (Germany)
(UNEP/OzL.Pro/ExCom/37/24 and Corr.1)

Namibia: Project preparation for a terminal phase-out plan (Germany)
(UNEP/OzL.Pro/ExCom/37/24 and Corr.1)

45. The Chair drew the attention of the Sub-Committee to paragraphs 36 to 47 of document UNEP/OzL.Pro/ExCom/37/24 and Corr.1. He pointed out that the main issue with each of the proposals was whether or not a low-volume-consuming country with a refrigerant management plan was also eligible for a terminal phase-out project. Since that aspect would be dealt with by the Executive Committee itself, he invited the Sub-Committee to consider other aspects of the two proposals that might be relevant to a recommendation. Whether or not the proposals were approved would be dependent on the position taken by the full Executive Committee on terminal phase-out plans.

46. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report, subject to consideration by the Executive Committee of whether low-volume-consuming countries with a refrigerant management plan were also eligible for terminal phase-out management plans.

Zimbabwe: Project preparation for a terminal phase-out plan (Germany)
(UNEP/OzL.Pro/ExCom/37/24 and Corr.1)

47. The Chair drew the attention of the Sub-Committee to paragraphs 48 to 52 of document UNEP/OzL.Pro/ExCom/37/24 and Corr.1. He pointed out that in view of the current low level of consumption in the country, the Secretariat had concerns about the size of the project to be prepared.

48. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report, on the understanding that, with regard to the calculation of the consumption to be addressed by the project, the project should comply fully with the rules and procedures of the Multilateral Fund.

Brazil: Training of refrigeration mechanics in the domestic and commercial refrigeration service sub-sectors (Germany) (UNEP/OzL.Pro/ExCom/37/30 and Add.1)

Brazil: Training of customs officers (Germany) (UNEP/OzL.Pro/ExCom/37/30 and Add.1)

49. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/30 and Add.1. He said that the Government of Brazil had submitted a national phase-out plan to achieve a complete phase-out of ODS consumption by the end of 2008. He said that a total of 9,276 ODP tonnes would be phased out. The Government of

Germany would participate in the phase-out plan by providing training for refrigeration mechanics and for customs officers.

50. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the German component of the CFC national phase-out plan for Brazil at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Brazil and the Executive Committee, contained in Annex III to the present report.

China: Phase-out of CFC-11 by conversion to cyclopentane technology and CFC-12 by conversion to isobutane (600a) technology in the manufacture of domestic refrigerators at Guizhou Haier Appliance Co., Ltd. (Italy) (UNEP/OzL.Pro/ExCom/37/32)

51. The Chair drew the attention of the Sub-Committee to pages 12 to 16 of the English version of document UNEP/OzL.Pro/ExCom/37/32. He pointed out that UNIDO had submitted a sector phase-out plan for the conversion of the remaining domestic refrigeration and compressor manufacture in China, with a total phase-out of 918 ODP tonnes of CFCs. He said that the conversion of Guizhou Haier, a domestic refrigerator manufacturer, was included in the sector plan as a bilateral project submitted by Italy. Because outstanding cost and eligibility issues remain, Italy and UNIDO had agreed with the Secretariat to defer the project.

52. Following a discussion, the Sub-Committee recommended that the Executive Committee note the deferral of the project.

53. At the conclusion of its discussions on this agenda item, the Sub-Committee recommended that the Executive Committee request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$271,200 against the balance of Canada's bilateral contributions for 2002;
- (b) US \$1,170,200 against the balance of France's bilateral contributions for 2002;
- (c) US \$4,395,741 against the balance of Germany's bilateral contributions for 2002;
- (d) US \$108,130 against the balance of Israel's bilateral contributions for 2002;
- (e) US \$294,247 against the balance of Japan's bilateral contributions for 2002.

AGENDA ITEM 7: WORK PROGRAMMES AND AMENDMENTS

(a) 2002 work programme amendments of UNDP

54. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/25, containing the UNDP 2002 work programme amendments.

55. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's 2002 work programme amendments, as contained in document

UNEP/OzL.Pro/ExCom/37/25, with the amendments below, at the level of funding indicated in Annex I to the present report.

Lebanon: Renewal of institutional strengthening
Sri Lanka: Renewal of institutional strengthening
Uruguay: Renewal of institutional strengthening
Venezuela: Renewal of institutional strengthening

56. The Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report and express to the Governments concerned its observations indicated in Annex IV to the present report.

(b) 2002 work programme amendments of UNEP

57. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/26, containing the 2002 work programme amendments of UNEP.

58. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNEP's 2002 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/37/26, with the amendments below, at the level of funding indicated in Annex I to the present report.

Algeria: Renewal of institutional strengthening
Burundi: Renewal of institutional strengthening
Fiji: Renewal of institutional strengthening
Gabon: Renewal of institutional strengthening
Maldives: Renewal of institutional strengthening
Nepal: Renewal of institutional strengthening
Peru: Renewal of institutional strengthening
Saint Lucia: Renewal of institutional strengthening
Togo: Renewal of institutional strengthening

59. The Sub-Committee recommended that the Executive Committee approve the above projects at the level of funding indicated in Annex I to the present report and express to the Governments concerned its observations indicated in Annex IV to the present report.

Policy and technical assistance for Cameroon, Dominican Republic, Kenya, Niger, and Oman (\$50,000)

60. The Chair drew the attention of the Sub-Committee to paragraphs 7 to 10 of document UNEP/OzL.Pro/ExCom/37/26. He indicated that the Secretariat had raised the issue of whether these activities were eligible in view of the activities already funded under UNEP's Compliance Assistance Programme (CAP).

61. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above proposal at a level of funding of US \$10,000 per country, on the

understanding that UNEP would be permitted to divert the required funding for the projects from the unspent salary component of the CAP, and also that:

- (a) In light of the compelling case of the countries concerned, and the fact that the CAP was in an initial stage, policy and technical assistance under the project would be provided to these countries only;
- (b) In the future, the kind of assistance specified would be provided directly by staff employed under the UNEP CAP, and with related CAP travel resources.

(c) 2002 work programme amendments of UNIDO

62. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/27, containing the UNIDO 2002 work programme amendments.

63. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNIDO's 2002 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/37/27, with the amendments below, at the level of funding indicated in Annex I to the present report.

Mexico: Renewal of the institutional strengthening project

64. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report and express to the Government of Mexico its observations indicated in Annex IV to the present report.

Brazil: Preparation of a sectoral phase-out plan in the methyl bromide sector

65. The Chair drew the attention of the Sub-Committee to paragraphs 11 to 17 of document UNEP/OzL.Pro/ExCom/37/27. He said that the Secretariat had drawn attention to uncertainties in data consumption and the high costs proposed.

66. Following a discussion, the Sub-Committee recommended that the Executive Committee defer approval of the above proposal, on the understanding that:

- (a) The project would be reformulated by UNIDO to comprise only an assessment of the consumption of methyl bromide in Brazil, without involving the preparation of any project proposal for methyl bromide phase-out;
- (b) The costs of the project proposal should be much less than the US \$75,000 indicated by the representative of UNIDO at the Meeting;
- (c) The reformulated project would be resubmitted to the Executive Committee at its 38th Meeting for approval.

South Africa: Preparation of a sectoral phase-out plan in the methyl bromide sector

67. The Chair drew the attention of the Sub-Committee to paragraphs 18 to 22 of document UNEP/OzL.Pro/ExCom/37/27. He indicated that the issue was related to South Africa's eligibility for support for methyl bromide phase-out.

68. Following a discussion, the Sub-Committee recommended that the Executive Committee not approve the above proposal for funding until a Meeting of the Parties had clarified South Africa's eligibility for such support.

69. One representative, understanding that the Ozone Secretariat or a member thereof had prepared a legal paper on this subject, indicated his interest in receiving a copy of that paper for analysis.

(d) 2002 work programme amendment of the World Bank

70. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/28, containing the World Bank's 2002 work programme amendment.

71. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the World Bank's 2002 work programme amendment, as contained in document UNEP/OzL.Pro/ExCom/37/28, at the level of funding indicated in Annex I to the present report.

AGENDA ITEM 8: INVESTMENT PROJECTS

(a) Projects recommended for blanket approval

72. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/26/2/Rev.1.

73. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval as contained in document UNEP/OzL.Pro/ExCom/SCPR/26/2/Rev.1, at the level of funding indicated in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable.

(b) Projects for individual consideration

Foam sector

Iran: Phasing out of ODS in the manufacture of flexible slabstock foam through the use of liquid CO₂ blowing technology at Esfanj Shirvan Co. (UNIDO)
(UNEP/OzL.Pro/ExCom/37/41 and Add.1)

74. The Chair drew the attention of the Sub-Committee to paragraphs 8 and 9 of document UNEP/OzL.Pro/ExCom/37/41 and Add.1. He noted that pending approval of updated guidelines

for LCD projects, agreement had been reached to base project costs on the actual costs of capital equipment for projects currently under implementation in the Islamic Republic of Iran. That was lower than the requested costs.

75. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report.

Fumigant sector

Chile: Phase-out of methyl bromide in tomatoes and peppers production (World Bank)
(UNEP/OzL.Pro/ExCom/37/31)

76. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/26/1/Add.1/Rev.1. He noted that all cost and eligibility issues had been resolved for the project.

77. Following a discussion, in which it was pointed out that the assistance already provided to Chile would enable the country to meet all near-term control measures for methyl bromide, the Sub-Committee recommended that the Executive Committee not approve the above project.

Georgia: Phase-out of methyl bromide for soil fumigation (UNIDO)
(UNEP/OzL.Pro/ExCom/37/37 and Add.1)

78. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/26/1/Add.1/Rev.1. He noted that all cost and eligibility issues had been resolved for the project.

79. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project to phase out methyl bromide for soil fumigation in Georgia, at the level of funding indicated in Annex I to the present report, on the understanding that it was a technical assistance programme that would achieve a phase-out of 6 ODP tonnes of methyl bromide, representing the entire consumption for soil fumigation.

Honduras: Phase-out of methyl bromide in melon and banana production sector and tobacco seedling (UNIDO) (UNEP/OzL.Pro/ExCom/37/38 and Add.1)

80. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/26/1/Add.1/Rev.1. He noted that all cost and eligibility issues had been resolved for the project.

81. Following the discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve US \$1,977,454, excluding agency support costs, for the phase-out of 213 ODP tonnes of methyl bromide, to achieve a 25 per cent reduction in the methyl bromide baseline consumption by 2005;

- (b) Note that the Government of Honduras undertook to permanently sustain this reduction in the consumption of methyl bromide through implementation of the project and the use of import restrictions and other policies that it might deem necessary;
- (c) Request UNIDO to report to the Executive Committee once the project had been completed and the phase-out under this project had been achieved;
- (d) Note that the Executive Committee might consider another project for Honduras at that time, if it determined that an additional reduction was a priority.

Egypt: Phase-out of the use of methyl bromide in grain storage (UNIDO)
(UNEP/OzL.Pro/ExCom/37/36)

82. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/36. He noted that the issue with the project was the extended implementation time, in the light of Egypt's urgent need to reduce methyl bromide consumption to meet the 2002 freeze. He recalled that the issue had been dealt with as a policy matter under agenda item 5, and a recommendation made not to approve the project.

Refrigeration sector

Indonesia: Sector phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector (UNDP) (UNEP/OzL.Pro/ExCom/37/40 and Add.1 and Corr.1)

83. The Chair drew the attention of the Sub-Committee to paragraphs 26 to 35 of document UNEP/OzL.Pro/ExCom/37/40 and Add.1 and Corr.1. He noted that the plan proposed to phase out a total of 1,180 CFC tonnes consumed at 152 enterprises by December 2007, in the commercial refrigeration manufacturing sub-sector.

84. The Chief Officer drew attention to document UNEP/OzL.Pro/ExCom/37/40/Add.1, which reported on an agreement between the Fund Secretariat and UNDP concerning the incremental costs of the project.

85. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project in principle, at a total cost of US \$6,398,000 excluding agency support costs, in accordance with the agreement between the Government of Indonesia and the Executive Committee contained in Annex V to the present report;
- (b) Approve funding for the first implementation programme as indicated in Annex I to the present report.

Solvent sector

Korea, DPR: Conversion of cleaning processes from CTC to aqueous and solvent cleaning techniques at Huichon February 26 Factory (HUI) (UNIDO) (UNEP/OzL.Pro/ExCom/37/44)

86. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/44. He recalled that this project had first been submitted to the 35th Meeting of the Executive Committee, but had been deferred to allow additional work to be done. He said that a second and similar project had also been deferred at the 35th Meeting, but had been approved upon re-submission to the 36th Meeting in March. He pointed out that the incremental cost of the project had been agreed with UNIDO.

87. The Sub-Committee recommended that the Executive Committee approve the above project at the level of funding indicated in Annex I to the present report.

Sterilants sector

Mexico: Sterilisation group project to replace CFC-12 technology-based sterilisation equipment by alternative technologies in the hospital medical sterilisation sector (World Bank) (UNEP/OzL.Pro/ExCom/37/48)

88. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/48. He noted that the basis for the incremental costs was still under discussion between the Secretariat and the World Bank. Since the project was still under discussion, it had been agreed to defer the project until the 38th Meeting.

89. The Sub-Committee recommended that the Executive Committee note the deferral of the above project, pending resolution of the outstanding issues.

Sector strategies and plans

Brazil: National CFC phase-out plan (UNDP and Germany) (UNEP/OzL.Pro/ExCom/37/30 and Add.1 and Add.2)

90. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/30 and Add.1. He noted that agreement had been reached among the Government of Brazil, the Secretariat and UNDP on the cost of the phase-out plan. The agreed cost was US \$26.7 million, excluding agency support costs, for a complete phase-out of CFCs in Brazil by 2010.

91. Following the discussion the Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project in principle at a total cost of US \$26.7 million, excluding agency support costs, in accordance with the agreement between the Government of Brazil and the Executive Committee contained in Annex III to the

present report;

- (b) Approve funding for the first implementation programme as indicated in Annex I to the present report.

China: Sector plan for phase-out of ODS in the process agent sector (World Bank) (UNEP/OzL.Pro/ExCom/37/32)

92. The Chair drew the attention of the Sub-Committee to pages 5 to 11 and Annex I of the English version of document UNEP/OzL.Pro/ExCom/37/32. He pointed out that the proposal appeared to be very complex, since it involved interpretation of Decision X/14 of the Parties concerning process agents and also determination of consumption for process agent uses. He said that there were substantial challenges regarding the acquisition of the necessary alternative technologies. The recommendation concerning this project made under agenda item 5 would allow the technical issues to be discussed further.

China: Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors (UNIDO and Italy) (UNEP/OzL.Pro/ExCom/37/32)

93. The Chair drew the attention of the Sub-Committee to pages 12 to 16 of the English version of document UNEP/OzL.Pro/ExCom/37/32. He noted that there had been no agreement on the eligibility and the incremental cost of the proposal. He pointed out that the remaining consumption eligible for funding in the domestic refrigeration sub-sector in China was a major issue. The Secretariat and UNIDO had agreed that the project should be deferred to enable the issues to be resolved.

94. The Sub-Committee recommended that the Executive Committee note that the project had been deferred.

India: Sector plan for phasing out of CTC consumption in the chlorinated rubber sub-sector (World Bank) (UNEP/OzL.Pro/ExCom/37/39 and Add.1)

95. The Chair drew the attention of the Sub-Committee to pages 15 to 20 and Annex I of the English version of document UNEP/OzL.Pro/ExCom/37/39 and Add.1. He indicated that the application in which ozone depleting substances were used, in this case carbon tetrachloride, was the manufacture of chlorinated rubber. He indicated that the complete proposal, covering four factories, was attached to the project document. He pointed out that the low level of consumption and the large difference between this level and the apparent capacity of the relevant factories in India was a major issue.

96. The Sub-Committee recommended that the Executive Committee defer consideration of the above project, pending the resolution of outstanding costs issues.

India: Sectoral phase-out plan for elimination of CFCs in the foam sector (UNDP) (UNEP/OzL.Pro/ExCom/37/39 and Add.1)

97. The Chair drew the attention of the Sub-Committee to pages 2 to 14 of the English version document UNEP/OzL.Pro/ExCom/37/39 and Add.1. He noted that agreement had been reached between the Government of India, through UNDP, and the Secretariat on a total incremental cost of US \$5,424,577, excluding agency support costs.

98. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the above project in principle, at a total cost of US \$5,424,577 excluding agency support costs, in accordance with the agreement between the Government of India and the Executive Committee contained in Annex VI to the present report, subject to agreement by the Executive Committee at the present meeting concerning the starting point for India's remaining fundable CFC consumption ;
 - (b) Approve funding for the first implementation programme as indicated in Annex I to the present report.

Jamaica: Terminal phase-out management plan for CFCs (UNDP and Canada) (UNEP/OzL.Pro/ExCom/37/42)

99. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/42. He noted that UNDP was to implement one component of this project, the remainder of which was funded through bilateral cooperation from the Government of Canada. He recalled that in the context of the agenda on bilateral cooperation, the eligibility of low-volume-consuming countries to convert their refrigerant management plans into terminal phase-out plans at an increased cost was to be discussed by the Executive Committee itself.

100. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the UNDP component of the above project at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Jamaica and the Executive Committee contained in Annex II to the present report, subject to consideration by the Executive Committee of whether low-volume-consuming countries with a refrigerant management plan were also eligible for terminal phase-out management plans.

Deadline for submission of multi-year agreements

101. Several representatives expressed concern at the fact that some agreements between Governments and the Executive Committee relating to the implementation of projects were not available for examination and consideration until extremely late in the meeting of the Sub-Committee to which they were being submitted for approval.

102. Following a discussion, the Sub-Committee recommended that the Executive Committee decide for future meetings that, if a final draft of an agreement which represented an essential component of a phase-out project had not been submitted for the consideration of the Sub-Committee on Project Review by the close of business on the second day of its

deliberations, then approval of the project concerned would be deferred until a subsequent meeting.

AGENDA ITEM 9: POLICY PAPERS

(a) Status report on liquid carbon dioxide (LCD) technology and guidelines for LCD projects

103. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/57. He said that the study was progressing well and that a thorough investigation of the technology and the costs was being undertaken. He said that the Secretariat had pointed out the excellent cooperation received so far from the manufacturers of the technology and the need for a similar spirit of cooperation from the foam producers in Article 5 countries and from the implementing agencies. It was hoped that the work would be completed in time for the 38th Meeting of the Executive Committee.

104. Following a discussion, the Sub-Committee recommended that the Executive Committee take note of the status report.

(b) Draft guidelines for metered dose inhaler (MDI) projects

105. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/58. He pointed out that the document was in two parts. The first part provided a detailed background on the technologies involved and their costs, and a comprehensive appreciation of the ways in which the changeover from CFC to non-CFC metered dose inhalers was likely to be implemented in countries with varying levels of use or production of these products. The second part of the document synthesized the facts presented earlier into a set of draft guidelines to be used in preparing, reviewing and approving projects in the sector.

106. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the draft guidelines;
- (b) Request members of the Executive Committee to submit comments on the issue to the Secretariat in time for a further discussion at the 40th Meeting of the Executive Committee;
- (c) In the meantime, allow consideration of some projects on a case-by-case basis, taking into account the relative need of the country to have an MDI project to ensure compliance, the relative cost-effectiveness of the project and the possibility that essential use applications for MDIs may be considered by the Parties as early as 2008.

(c) Funding of technology that is not in the public domain: follow-up to Decision 36/52

107. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/59. He recalled that the first paper on the topic had been presented at the 36th Meeting. The Executive Committee requested that a working paper be prepared incorporating the views of Executive Committee members and relevant implementing agencies. He indicated that the paper had been prepared by the same experts from the Faculty of Law at McGill University in Montreal as had prepared the first paper. He said that, on 7 June 2002, the paper had also been sent to the Assistant Director-General and Legal Counsel of the World Intellectual Property Organization for comment.

108. He invited one of the experts who had prepared the report to give a brief presentation thereon.

109. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note with appreciation of the report of the consultants prepared for the Secretariat (UNEP/OzL.Pro/ExCom/37/59);
- (b) Request members of the Executive Committee to provide the Secretariat with their comments on the views expressed in the report and the comments received from WIPO;
- (c) Request the Secretariat, in consultation with the implementing agencies, to draft guidelines for the financing of projects using such technology, including the protection as well as the use of the related confidential information for project review on a need-to-know basis, and submit them to the Committee for its approval;
- (d) In doing so, to seek the advice of the Technology and Economic Assessment Panel on their experience in dealing with commercially sensitive or confidential information, and other aspects of TRIPS;
- (e) Request the Secretariat to report on the matter at its 40th Meeting.

(d) Report by UNEP on the progress made in the implementation of the Compliance Assistance Programme (CAP) (submitted by UNEP DTIE)

110. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/60, and requested the representative of UNEP to update the Sub-Committee on any developments since the submission of the status report.

111. The representative of UNEP gave an interim report on progress made. Several useful lessons had been learned and the majority of the personnel posts were being filled.

112. A number of representatives made reference to UNEP's role in strengthening national ozone units, indicated that additional assistance was required, particularly as it related to illegal

trade, and suggested that this should be taken into account when formulating UNEP's Compliance Assistance Programme.

113. Following a discussion, the Sub-Committee recommended that the Executive Committee take note of the interim report.

(e) A review of the policy and use of administrative fees at the World Bank under the Multilateral Fund for the implementation of the Montreal Protocol (submitted by the World Bank)

114. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/37/70. He pointed out that the document had been prepared in response to The Executive Committee's Decision 36/47. He said that the report was lengthy, although concise conclusions had been presented at the end of that report.

115. He invited the representative from the World Bank to give a brief summary of the contents of the report.

116. During the discussion, one representative said that under the United Nations rules for Trust Funds, to which the World Bank was subject, the latter was obliged to repay to the Multilateral Fund the support costs relating to unspent project funds for past projects which had either been completed under budget or had been cancelled. For future projects which were completed under budget, the Bank was obliged to repay the support costs on a pro rata basis and, for those which were cancelled, the Executive Committee had already decided to request implementing agencies to return all agency fees associated with remaining funds from projects. If expenditures had been incurred for support costs, the implementing agencies were to provide an explanation and return the balance of the funds.

117. The Sub-Committee recommended that the Executive Committee continue examining the possibility of an administrative budget for the implementing agencies.

AGENDA ITEM 10: OTHER MATTERS

118. No other matters were raised for discussion.

AGENDA ITEM 11: ADOPTION OF THE REPORT

119. The meeting adopted the present report on 16 July 2002, on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/SCPR/26/L.1, on the understanding that the Secretariat and the Chair would be entrusted with the finalization of the outstanding portions of the discussion.

AGENDA ITEM 12: CLOSURE OF THE MEETING

120. After the customary exchange of courtesies, the Chairman declared the meeting closed at 6:00 p.m. on Tuesday, 16 July 2002.

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	Total (US\$)	C.E. (US\$/kg)
ALGERIA						
REFRIGERATION						
Commercial						
Conversion from CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the first group of commercial refrigerator manufacturers	UNIDO	18.6	\$224,320	\$29,162	\$253,482	12.10
Refrigerant management plan						
Refrigerant management plan to phase out the use of ODS in the refrigeration and air-conditioning sector (includes: training in good refrigerant management practices, training of customs officers, and national recovery and recycling)	UNIDO		\$200,000	\$26,000	\$226,000	
<i>The Executive Committee approved in principle US \$1,424,647 as the total funds that will be available for Algeria to achieve the phase out of 245 ODP tonnes of CFCs by 2007, representing 85 per cent of the CFC consumption used in the refrigeration servicing sector, and that the Government of Algeria will not seek additional funding from the Multilateral Fund to phase out an additional amount of 315 tonnes used in the informal sector and by a number of large users who import CFC directly. The Executive Committee also approved the first tranche of the RMP project with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report.</i>						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation for terminal ODS phase out management plan, excluding the refrigeration sector	Germany		\$42,000	\$5,460	\$47,460	
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (Phase 3)	UNEP	21.2	\$257,000	\$0	\$257,000	
		Total for Algeria	39.8	\$723,320	\$60,622	\$783,942
BRAZIL						
PHASE-OUT PLAN						
CFC phase-out plan						
Training of customs officers	Germany		\$141,200	\$12,708	\$153,908	
Training of refrigeration mechanics in domestic and commercial refrigeration service sub-sectors (first tranche)	Germany		\$1,498,800	\$134,892	\$1,633,692	
National CFC phase-out plan (first tranche)	UNDP	1,691.0	\$7,860,000	\$687,700	\$8,547,700	
		Total for Brazil	1,691.0	\$9,500,000	\$835,300	\$10,335,300
BURUNDI						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (Phase II)	UNEP		\$57,200	\$0	\$57,200	
		Total for Burundi	\$57,200		\$57,200	

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/37/22
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E.
			Project	Support	Total (US\$/kg)
CAMEROON					
SEVERAL					
Technical assistance/support					
Policy and technical assistance <i>Funding from the unspent salary component of the CAP</i>	UNEP		\$0	\$0	\$0
Total for Cameroon					
CHAD					
REFRIGERATION					
Preparation of project proposal					
Preparation of the refrigerant management plan update	UNDP		\$12,500	\$1,625	\$14,125
Total for Chad					
\$12,500 \$1,625 \$14,125					
CHINA					
FOAM					
Polystyrene/polyethylene					
Release of final payment of the terminal umbrella project for the elimination of CFC-12 in manufacturing of EPE foam packaging nets at 30 enterprises	UNIDO	549.3	\$2,800,061	\$314,476	\$3,114,537
SEVERAL					
Training programme/workshop					
Policy training for local authorities (second tranche)	UNEP	16.5	\$200,000	\$26,000	\$226,000
Total for China					
565.8 \$3,000,061 \$340,476 \$3,340,537					
CONGO, DR					
FOAM					
Flexible slabstock					
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Ekanawe SPRL by conversion to methylene chloride	UNDP	24.0	\$75,490	\$9,814	\$85,304 3.14
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Sokamo SPRL by conversion to methylene chloride	UNDP	21.0	\$69,920	\$9,090	\$79,010 3.33
Phasing out of CFC-11 in the manufacture of flexible slabstock foam at Bek SPRL by conversion to methylene chloride	UNDP	28.0	\$165,670	\$21,537	\$187,207 5.92
Total for Congo, DR					
73.0 \$311,080 \$40,440 \$351,520					
COTE D'IVOIRE					
REFRIGERATION					
Chillers					
ODS phase out in 50 existing centrifugal chillers units <i>Approved on the understanding that the project, having a significant cost-share component and, being a demonstration project for the African region, would complete the cycle of demonstration projects in the chiller sub-sector for each region, and that no further chiller demonstration projects would be forthcoming</i>	France	18.0	\$1,000,000	\$100,000	\$1,100,000 55.55

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	C.E. Total (US\$/kg)
Preparation of project proposal					
Project preparation for projects in commercial refrigeration production facilities	France		\$15,000	\$750	\$15,750
Technical assistance/support					
Implementation of the refrigerant management plan: monitoring the activities of the RMP and set up of an import/export licensing system	France		\$49,500	\$4,950	\$54,450
Total for Cote D'Ivoire		18.0	\$1,064,500	\$105,700	\$1,170,200
CUBA					
PHASE-OUT PLAN					
Preparation of project proposal					
Preparation of a CFC phase out management plan <i>Approved on the understanding that the project would be reformulated as an RMP update and that the Government of Germany would cooperate closely with the Government of Canada in the updating of the RMP</i>	Germany		\$70,000	\$9,100	\$79,100
Total for Cuba			\$70,000	\$9,100	\$79,100
DJIBOUTI					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP: customs training	UNEP		\$33,100	\$4,303	\$37,403
Implementation of the RMP: training in good practices of refrigeration	UNEP		\$74,200	\$9,646	\$83,846
Implementation of the RMP: monitoring the activities in the RMP	UNDP		\$25,000	\$3,250	\$28,250
Implementation of the RMP: assistance to establish legislation <i>UNEP agreed not to request additional funding for this activity, in accordance with Decision 31/48 (e).</i>	UNEP		\$0	\$0	\$0
Implementation of the RMP: recovery and recycling	UNDP	5.7	\$136,463	\$17,740	\$154,203 23.99
SEVERAL					
Institutional strengthening					
Institutional strengthening	UNEP		\$90,000	\$0	\$90,000
Total for Djibouti		5.7	\$358,763	\$34,939	\$393,702
DOMINICAN REPUBLIC					
SEVERAL					
Technical assistance/support					
Policy and technical assistance <i>Funding from the unspent salary component of the CAP</i>	UNEP	0.8	\$0	\$0	\$0
Total for Dominican Republic		.8			

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E.
			Project	Support	Total (US\$/kg)
EL SALVADOR					
REFRIGERATION					
Preparation of project proposal					
Preparation of the refrigerant management plan update	UNDP		\$17,500	\$2,275	\$19,775
Total for El Salvador			\$17,500	\$2,275	\$19,775
ETHIOPIA					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950
Total for Ethiopia			\$15,000	\$1,950	\$16,950
FIJI					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase III)	UNEP		\$57,000	\$0	\$57,000
Total for Fiji			\$57,000		\$57,000
GABON					
REFRIGERATION					
Preparation of project proposal					
Preparation of the refrigerant management plan update	UNDP		\$10,000	\$1,300	\$11,300
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase III)	UNEP		\$39,520	\$0	\$39,520
Total for Gabon			\$49,520	\$1,300	\$50,820
GAMBIA					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP: phasing out ODS use in the refrigeration and air conditioning sector	Germany		\$76,700	\$9,971	\$86,671
Total for Gambia			\$76,700	\$9,971	\$86,671
GEORGIA					
FUMIGANT					
Technical assistance/support					
Technical assistance for the phase-out of methyl bromide for soil fumigation	UNIDO	6.0	\$220,000	\$28,600	\$248,600
<i>Approved on the understanding that it was a technical assistance programme that would achieve a phase-out of 6 ODP tonnes of methyl bromide, representing the entire consumption for soil fumigation</i>					
Total for Georgia		6.0	\$220,000	\$28,600	\$248,600

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E.	
			Project	Support	Total (US\$/kg)	
GHANA						
FUMIGANT						
Training programme/workshop						
Training programme for terminal phase-out of methyl bromide use, excluding QPS applications	UNDP	6.3	\$101,550	\$13,202	\$114,752	
Total for Ghana		6.3	\$101,550	\$13,202	\$114,752	
HONDURAS						
FUMIGANT						
Methyl bromide						
Phase-out of methyl bromide in melon and banana production sector and tobacco seedling	UNIDO	213.0	\$1,977,454	\$227,519	\$2,204,973	9.28
<i>The Government of Honduras commits to permanently sustain this reduction in the consumption of methyl bromide through implementation of the project and the use of import restrictions and other policies that it might deem necessary; UNIDO should report to the Executive Committee once the project has been completed and the phase-out under this project has been achieved. The Executive Committee may consider another project for Honduras at that time, if it determines that an additional reduction is a priority; and the Executive Committee recognized that the total cost of the project for a complete phase-out of methyl bromide were calculated at US\$3,783,755</i>						
Total for Honduras		213.0	\$1,977,454	\$227,519	\$2,204,973	
INDONESIA						
FOAM						
Rigid						
Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam for insulating purposes at Bina Teknik Co.	Japan	22.8	\$117,889	\$15,326	\$133,215	5.20
Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam for insulating purposes at Aneka Citra Refrigeratama Co.	Japan	18.2	\$142,506	\$18,526	\$161,032	7.83
Integral skin						
Phase-out of CFC-11 by conversion to water blown in the manufacture of integral skin shoe soles at PT.	UNIDO	50.0	\$523,943	\$67,634	\$591,577	10.48
REFRIGERATION						
Commercial						
Sector phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector	UNDP		\$1,288,000	\$111,920	\$1,399,920	
SEVERAL						
Technical assistance/support						
Strengthening of import/export control	IBRD	9.1	\$110,000	\$14,300	\$124,300	
<i>No further training for customs officers will be requested from the Multilateral Fund</i>						
Total for Indonesia		100.1	\$2,182,338	\$227,706	\$2,410,044	

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	Total (US\$/kg)	C.E. (US\$/kg)
IRAN						
FOAM						
Flexible slabstock						
Phasing out of ODS in the manufacture of flexible slabstock foam through the use of LCD blowing technology at Esfanj Shirvan Co.	UNIDO	91.1	\$373,515	\$48,557	\$422,072	4.01
Conversion of the use of CFC to LCD in the manufacture of flexible foam at Abre Baspar foam company	Germany	77.0	\$387,174	\$50,333	\$437,507	5.03
Rigid						
Conversion from CFC-11 to n-pentane in the production of rigid foam panels at Yakhchavan Co.	UNIDO	73.6	\$531,838	\$68,502	\$600,340	7.23
Conversion from CFC-11 to fully water-based technology in the manufacture of flexible moulded PU foam at Phira Khodro	Germany	20.2	\$158,166	\$20,562	\$178,728	7.83
Integral skin						
Conversion from CFC-11 to fully water-based technology in the manufacture of flexible moulded PU foam at Sanayeh Dashboard Iran	Germany	22.0	\$185,632	\$24,132	\$209,764	8.44
Conversion from CFC-11 to fully water-based technology in the manufacture of flexible moulded PU foam at Nikou Esfandj	Germany	18.6	\$228,310	\$29,680	\$257,990	12.27
Conversion from CFC-11 to pentane technology in the manufacture of integral skin PU foam at Jahad Tahghihat Group	Germany	23.0	\$335,249	\$43,582	\$378,831	14.58
Preparation of project proposal						
Project preparation for the development of a foam sector strategy	Germany		\$51,850	\$6,741	\$58,591	
Total for Iran		325.5	\$2,251,734	\$292,089	\$2,543,823	
JORDAN						
SOLVENT						
TCA						
Conversion of metal cleaning processes from TCA solvent to TCE degreasing at the Royal Jordanian Air Force	UNIDO	45.0	\$342,757	\$44,558	\$387,315	32.96
Total for Jordan		45.0	\$342,757	\$44,558	\$387,315	
KENYA						
SEVERAL						
Technical assistance/support						
Policy and technical assistance <i>Funding from the unspent salary component of the CAP</i>	UNEP		\$0	\$0	\$0	
Total for Kenya						
KOREA, DPR						
SOLVENT						
CTC						
Conversion of cleaning processes from CTC to aqueous and solvent cleaning techniques at Huichon February 26 Factory (HUI)	UNIDO	209.0	\$1,945,477	\$224,002	\$2,169,479	9.31

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	C.E. Total (US\$/kg)
Total for Korea, DPR		209.0	\$1,945,477	\$224,002	\$2,169,479
KUWAIT					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP: training programme on good refrigerant management practices and hydrocarbon (HC) refrigerants safe handling	UNEP		\$95,325	\$12,392	\$107,717
Implementation of the RMP: monitoring the activities in the RMP	UNEP		\$27,000	\$3,510	\$30,510
Implementation of the RMP: training of customs officers in monitoring of ODS	UNEP		\$53,445	\$6,948	\$60,393
Implementation of the RMP: national recovery and recycling	UNIDO	64.0	\$448,816	\$22,441	\$471,257 11.80
SEVERAL					
Institutional strengthening					
Institutional strengthening and capacity building	UNEP		\$121,520	\$0	\$121,520
Total for Kuwait		64.0	\$746,106	\$45,291	\$791,397
KYRGYZSTAN					
REFRIGERATION					
Refrigerant management plan					
Implementation of the RMP: monitoring the activities in the RMP	UNDP		\$16,500	\$2,145	\$18,645
Implementation of the RMP: awareness and incentive programme	UNDP	2.5	\$187,242	\$24,341	\$211,583
Implementation of the RMP: training of refrigeration technicians	UNEP		\$97,900	\$12,727	\$110,627
Implementation of the RMP: training for customs excise and personnel involved in the monitoring of ODS/equipment	UNEP		\$74,910	\$9,738	\$84,648
Implementation of the RMP: national programme for recovery & recycling of refrigerants	UNDP	9.1	\$185,175	\$24,073	\$209,248 20.35
SEVERAL					
Institutional strengthening					
Institutional strengthening	UNEP		\$133,650	\$0	\$133,650
Total for Kyrgyzstan		11.6	\$695,377	\$73,025	\$768,402
LEBANON					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 3)	UNDP	12.8	\$155,090	\$20,162	\$175,252
Total for Lebanon		12.8	\$155,090	\$20,162	\$175,252

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	C.E. Support	Total (US\$/kg)
LESOTHO					
REFRIGERATION					
Preparation of project proposal					
Project preparation for an RMP update	Germany		\$15,000	\$1,950	\$16,950
Total for Lesotho			\$15,000	\$1,950	\$16,950
MACEDONIA					
HALON					
Technical assistance/support					
Technical assistance in preparation of the national halon management plan	UNIDO		\$25,000	\$3,250	\$28,250
Total for Macedonia			\$25,000	\$3,250	\$28,250
MALAWI					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management update	Germany		\$15,000	\$1,950	\$16,950
Total for Malawi			\$15,000	\$1,950	\$16,950
MALAYSIA					
PHASE-OUT PLAN					
CFC phase-out plan					
National CFC phase-out plan: release of second tranche for implementation of the 2002 annual plan	IBRD		\$2,969,065	\$259,216	\$3,228,281
Total for Malaysia			\$2,969,065	\$259,216	\$3,228,281
MALDIVES					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 2) UNEP			\$35,753	\$0	\$35,753
Total for Maldives			\$35,753		\$35,753
MAURITIUS					
FUMIGANT					
Preparation of project proposal					
Project preparation for the phase out of methyl bromide use	Germany		\$11,000	\$1,430	\$12,430
Total for Mauritius			\$11,000	\$1,430	\$12,430
MEXICO					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 6)	UNIDO	20.4	\$247,000	\$32,110	\$279,110
Total for Mexico			20.4	\$247,000	\$279,110

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E.	
			Project	Support	Total (US\$/kg)	
MOZAMBIQUE						
REFRIGERATION						
Preparation of project proposal						
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950	
Total for Mozambique			\$15,000	\$1,950	\$16,950	
NEPAL						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (Phase 2)	UNEP		\$53,733	\$0	\$53,733	
Total for Nepal			\$53,733		\$53,733	
NIGER						
REFRIGERATION						
Preparation of project proposal						
Preparation of the refrigerant management plan update	UNDP		\$10,000	\$1,300	\$11,300	
SEVERAL						
Technical assistance/support						
Policy and technical assistance <i>Funding from the unspent salary component of the CAP</i>	UNEP		\$0	\$0	\$0	
Total for Niger			\$10,000	\$1,300	\$11,300	
NIGERIA						
HALON						
Banking						
Sectoral phase-out program: establishing a halon bank	Germany		\$499,000	\$64,870	\$563,870	
Total for Nigeria			\$499,000	\$64,870	\$563,870	
OMAN						
SEVERAL						
Technical assistance/support						
Policy and technical assistance <i>Funding from the unspent salary component of the CAP</i>	UNEP		\$0	\$0	\$0	
Total for Oman						
PAKISTAN						
SOLVENT						
CTC						
Conversion of cleaning installations from carbon tetrachloride (CTC) to tetrachloroethylene (PER) at Riaz Electric Ltd., Lahore	UNIDO	10.0	\$122,078	\$15,870	\$137,948	12.18
Total for Pakistan			10.0	\$122,078	\$15,870	\$137,948

List of projects and activities recommended for approval

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Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E. (US\$/kg)
			Project	Support	Total
PERU					
REFRIGERATION					
Preparation of project proposal					
Preparation of the refrigerant management plan update proposal	UNEP		\$15,000	\$0	\$15,000
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 3)	UNEP		\$133,510	\$0	\$133,510
Total for Peru			\$148,510		\$148,510
SAINT LUCIA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 3)	UNEP		\$31,200	\$0	\$31,200
Total for Saint Lucia			\$31,200		\$31,200
SEYCHELLES					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950
Total for Seychelles			\$15,000	\$1,950	\$16,950
SRI LANKA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 4)	UNDP	11.1	\$134,056	\$17,427	\$151,483
Total for Sri Lanka			11.1	\$17,427	\$151,483
SWAZILAND					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950
Total for Swaziland			\$15,000	\$1,950	\$16,950
TANZANIA					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management update	Germany		\$15,000	\$1,950	\$16,950
Total for Tanzania			\$15,000	\$1,950	\$16,950

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	C.E. Total (US\$/kg)
THAILAND					
PHASE-OUT PLAN					
CFC phase-out plan					
National CFC phase-out plan: release of second tranche for implementation of the 2002 annual plan	IBRD		\$5,194,380	\$459,494	\$5,653,874
Total for Thailand			\$5,194,380	\$459,494	\$5,653,874
TOGO					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 2)	UNEP		\$60,667	\$0	\$60,667
Total for Togo			\$60,667		\$60,667
UGANDA					
REFRIGERATION					
Preparation of project proposal					
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950
Total for Uganda			\$15,000	\$1,950	\$16,950
URUGUAY					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 5)	UNDP		\$150,800	\$19,604	\$170,404
Total for Uruguay			\$150,800	\$19,604	\$170,404
VENEZUELA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (Phase 6)	UNDP	23.6	\$285,480	\$37,112	\$322,592
Total for Venezuela			23.6	\$285,480	\$37,112
VIETNAM					
AEROSOL					
Filling plant					
Terminal umbrella project for the aerosol sector to phase-out ODS consumption in the manufacture of aerosols and perfumes by conversion to hydrocarbon propellant (Dong A and Thorakao Cosmetics Ltd.)	UNDP	28.5	\$125,400	\$16,302	\$141,702
<i>This project addresses the remaining CFC consumption in the aerosol sector in Vietnam, and that no additional funding will be sought by the Government for CFC phase out in this sector</i>					
Total for Vietnam			28.5	\$125,400	\$16,302

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$) Project	Support	Total (US\$/kg)	C.E. (US\$/kg)
YEMEN						
REFRIGERATION						
Refrigerant management plan						
Implementation of the RMP: establish regulations and legislation <i>Through the implementation of all the activities proposed in the RMP project, a total of 673 ODP tonnes of CFCs will be phased by 2007 (representing 85 per cent of the CFC consumption used in the refrigeration servicing sector). The remaining CFC consumption that would need to be phased out with the assistance from the Multilateral Fund, if eligible, is 177.3 ODP tonnes.</i>	UNEP		\$25,000	\$3,250	\$28,250	
Implementation of the RMP: training programme on good practices in refrigeration	UNEP		\$189,500	\$24,635	\$214,135	
Implementation of the RMP: training programme for customs officers	UNEP		\$91,825	\$11,937	\$103,762	
Implementation of the RMP: monitoring the activities in the RMP	UNEP		\$57,750	\$7,508	\$65,258	
Implementation of the RMP: national recovery and recycling programme for refrigerants in the commercial and MAC sectors	UNDP	220.0	\$1,472,730	\$172,000	\$1,644,730	6.69
	Total for Yemen	220.0	\$1,836,805	\$219,330	\$2,056,135	
YUGOSLAVIA						
REFRIGERATION						
Commercial						
Umbrella refrigeration project 2, replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with HCFC-141b in the manufacture of commercial refrigeration equipment at three enterprises	UNIDO	10.9	\$150,109	\$19,514	\$169,623	13.80
	Total for Yugoslavia	10.9	\$150,109	\$19,514	\$169,623	
ZAMBIA						
REFRIGERATION						
Preparation of project proposal						
Project preparation for a refrigerant management plan update	Germany		\$15,000	\$1,950	\$16,950	
	Total for Zambia		\$15,000	\$1,950	\$16,950	
ZIMBABWE						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation for a terminal ODS phase-out management plan <i>Approved on the understanding that, with regard to the calculation of the consumption to be addressed by the project, the project should comply fully with the rules and procedures of the Multilateral Fund</i>	Germany		\$62,760	\$8,157	\$70,917	
	Total for Zimbabwe		\$62,760	\$8,157	\$70,917	

Project Title	Agency	ODP (tonnes)	Funds recommended for approval (US\$)		C.E.	
			Project	Support	Total (US\$/kg)	
REGION: AFR						
HALON						
Banking						
Sectoral phase out programme: establishing a regional halon bank for West and Central Africa (Benin, Burkina Faso, Cameroon, Congo, Congo DR, and Guinea)	UNDP		\$300,000	\$39,000	\$339,000	
Total for Region: AFR			\$300,000	\$39,000	\$339,000	
GLOBAL						
FUMIGANT						
Training programme/workshop						
International methyl bromide compliance assistance workshop (Bahamas, Barbados, Bosnia, Congo, Ecuador, Ethiopia, Moldova, Mexico, and Zambia)	Israel		\$98,300	\$9,830	\$108,130	
Total for Global			\$298,300	\$35,830	\$334,130	
SEVERAL						
Technical assistance/support						
Assistance for regional awareness raising	UNEP		\$200,000	\$26,000	\$226,000	
Total for Global			\$298,300	\$35,830	\$334,130	
INDIA						
FOAM						
Multiple-subsectors						
[Sectoral phase-out plan for elimination of CFCs in the foam sector]	UNDP	162.5	\$1,500,000	\$131,000	\$1,631,000	9.23
Total for India			162.5	\$1,500,000	\$131,000	\$1,631,000
JAMAICA						
PHASE-OUT PLAN						
CFC phase-out plan						
[Terminal phase-out management plan for CFCs]	Canada		\$240,000	\$31,200	\$271,200	
[Terminal phase-out management plan for CFCs: retrofitting/replacement programme]	UNDP		\$140,000	\$18,200	\$158,200	
Total for Jamaica			\$380,000	\$49,400	\$429,400	
MAURITIUS						
PHASE-OUT PLAN						
Preparation of project proposal						
[Project preparation for a CFC terminal phase out management plan]	Germany		\$15,000	\$1,950	\$16,950	
Total for Mauritius			\$15,000	\$1,950	\$16,950	
NAMIBIA						
PHASE-OUT PLAN						
Preparation of project proposal						
[Project preparation for a terminal ODS phase-out management plan]	Germany		\$50,250	\$6,533	\$56,783	
Total for Namibia			\$50,250	\$6,533	\$56,783	
GRAND TOTAL		3,874.4	\$40,747,373	\$4,094,151	\$44,841,524	

Summary

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Sector	Tonnes ODP	Funds Approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Foam	201.8	\$1,606,776	\$208,882	\$1,815,658
Fumigant		\$109,300	\$11,260	\$120,560
Halon		\$499,000	\$64,870	\$563,870
Refrigeration	18.0	\$1,276,200	\$133,221	\$1,409,421
Phase-out plan		\$2,120,010	\$210,000	\$2,330,010
TOTAL:	219.8	\$5,611,286	\$628,232	\$6,239,518
INVESTMENT PROJECT				
Aerosol	28.5	\$125,400	\$16,302	\$141,702
Foam	999.5	\$6,040,437	\$670,609	\$6,711,046
Fumigant	219.0	\$2,197,454	\$256,119	\$2,453,573
Refrigeration	330.8	\$5,154,310	\$559,181	\$5,713,491
Solvent	264.0	\$2,410,312	\$284,431	\$2,694,743
Phase-out plan	1,691.0	\$16,163,445	\$1,424,610	\$17,588,055
TOTAL:	3,532.8	\$32,091,358	\$3,211,252	\$35,302,610
WORK PROGRAMME AMENDMENT				
Fumigant	6.3	\$101,550	\$13,202	\$114,752
Halon		\$325,000	\$42,250	\$367,250
Refrigeration		\$65,000	\$6,500	\$71,500
Several	115.5	\$2,553,179	\$192,715	\$2,745,894
TOTAL:	121.8	\$3,044,729	\$254,667	\$3,299,396
Summary by Parties and Implementing Agencies				
Canada		\$240,000	\$31,200	\$271,200
France	18.0	\$1,064,500	\$105,700	\$1,170,200
Germany	160.8	\$3,948,091	\$447,650	\$4,395,741
Israel		\$98,300	\$9,830	\$108,130
Japan	41.0	\$260,395	\$33,852	\$294,247
IBRD	9.1	\$8,273,445	\$733,010	\$9,006,455
UNDP	2,246.1	\$14,424,566	\$1,402,119	\$15,826,685
UNEP	38.5	\$2,305,708	\$158,594	\$2,464,302
UNIDO	1,360.9	\$10,132,368	\$1,172,196	\$11,304,564
GRAND TOTAL	3,874.4	\$40,747,373	\$4,094,151	\$44,841,524

Annex II

**AGREEMENT FOR THE CFC TERMINAL PHASE-OUT MANAGEMENT
PLAN FOR JAMAICA**

1. The Executive Committee approves a total of US \$380,000 in funding for the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Jamaica. This is the total funding that would be available to Jamaica from the Multilateral Fund for the total elimination of CFC use in Jamaica. The agreed level of funding would be paid out in instalments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this agreement.

2. By this agreement, Jamaica commits that in exchange for the funding level specified below in Table 1, it will eliminate its total CFC consumption in accordance with the annual consumption limits given in Table 2.

Table 1: Funding levels and profile under TPMP

	2002	2003	2004	2005	Total
Agreed funding for annual programmes (US \$'000)					
Component I (Gov't of Canada programme):	135		45	60	240
Component II (UNDP programme):	70		70		140
Agency support costs (US \$'000)					
Component I (Gov't of Canada programme):	17.55		5.85	7.8	31.2
Component II (UNDP programme):	9.1		9.1		18.2
Totals	231.65	0	129.95	67.8	429.4

Table 2: Maximum Allowable Consumption for Annex A Group I (CFCs) ODP tonnes

Year	Maximum CFC consumption*
July 2002-June 2003	48
July 2003-June 2004	32
July 2004-June 2005	16
July 2005-December 2005	4.2
2006	0
2007	0
2008	0
2009	0
2010	0

* These limits represent the ones stipulated in Jamaica's current Licensing System

3. The Executive Committee also agrees, in principle, that the funds will be provided at the last meeting of the Executive Committee in 2002 and the first meetings of the Executive Committee in 2004 and 2005, in accordance with the above table, for the exact amounts listed in

the table and on the basis of an annual implementation plan for the following implementation period, subject to the performance requirements contained in this agreement. On this basis, the payment indicated in year 2002 will be for activities to be undertaken in the remainder of 2002 and 2003, 2004 funding for activities to be undertaken in 2004, and 2005 funding for activities to be undertaken in 2005.

4. Payments noted in Table 1, other than the 2002-2003 implementation programme, will be released based on confirmation that the agreed phase-out amounts targets noted in the Table 2 for the previous year have been achieved and it has been verified that the activities planned for the previous year were undertaken in accordance with the annual implementation plan. Hence, payment in 2004 for the 2004 implementation plan would be released based on confirmation that the July 2002- June 2003 consumption target has been met and all 2002 –2003 implementation plan activities has been completed, and so on for future years.

5. The Government of Jamaica agrees to ensure accurate monitoring of the phase-out. The Government of Jamaica will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this agreement will be consistent with Jamaica's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol.

6. The Government of Jamaica also agrees to allow independent verification audits as provided for in this agreement, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 2 and that implementation of the sector plan as scheduled and agreed in annual implementation programmes.

7. The Jamaica Terminal CFC Phase-out Management Plan, which supports this Agreement, the Jamaica Country Programme and other related documentation, may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Jamaica with maximum flexibility in using the agreed funds to meet the consumption limits agreed in the Table 2. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to Jamaica pursuant to this Agreement may be used in any manner that Jamaica believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Government of Jamaica, the Government of Canada as lead Implementing Agency and UNDP in the Terminal Phase-out Management Plan and, as indicated in the annual implementation programmes.

8. The Government of Jamaica agrees that the funds being agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of Annex A, Group I substances are the total funding that will be available to Jamaica to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any related activities. It is also understood that, aside from the agency fees referred to in paragraph 10 below, the Government of Jamaica, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment to the total phase-out of CFCs.

9. The Government of Jamaica agrees that if the Executive Committee meets its obligations under this Agreement but that the Government of Jamaica does not meet the reduction requirements outlined in paragraph 2 and other requirements outlined in this document, the Implementing Agencies and the Multilateral Fund will withhold funding for subsequent tranche of funding outlined in paragraph 2 until such time as the required reduction has been met. It is clearly understood that the fulfilment of this agreement depends on the satisfactory performance of its obligations by both the Government of Jamaica and the Executive Committee. In addition, Jamaica understands that regarding all reduction targets beginning with the 2002-2003 annual period, in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for CFC phase-out on the basis of US \$15,000 per ODP tonnes of reduction not achieved in any year.

10. The Government of Canada has agreed to be the lead Implementing Agency for the implementation of this Terminal Phase-out Management Plan, with UNDP providing support for the implementation of component II of the TPMP, the retrofit and replacement programme for end-users. The TPMP's implementation will be completed in December 2005. A fee of a total of 13% of the annual funds has been agreed in accordance with provisions of this Agreement and distributed between the two Implementing Agencies as shown in Table 1. As Implementing Agencies, the Government of Canada and UNDP will each be responsible for the following, within the context of their TPMP components:

- (a) ensuring performance and financial verification in accordance with specific Government of Canada and UNDP procedures and requirements as specified in Jamaica Terminal CFC Phase-out Management Plan;
- (b) reporting annually on the implementation of the annual implementation programmes;
- (c) providing verification to the Executive Committee that the control targets listed in Table 2 and the associated activities have been met;
- (d) ensuring that technical reviews undertaken by the Government of Canada and UNDP are undertaken by appropriate independent technical experts;
- (e) assisting Jamaica in the preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) carrying out required supervision missions;
- (g) ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) verification for the Executive Committee that CFC consumption has been completed based on the schedule listed in Table 2;

- (i) ensuring that disbursement are made to Jamaica based on agreed performance targets in the project and provisions in this Agreement; and,
- (j) provide policy development assistance when required.

11. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

Annex III

**AGREEMENT FOR THE TOTAL PHASE-OUT OF ANNEX A GROUP I
SUBSTANCES (CFCs) IN BRAZIL (DRAFT)**

1. The Executive Committee approves in principle a total of US \$26.7 million in funding for the phased reduction and complete phase-out of consumption of Annex A Group I substances in Brazil by 2010 (CFCs -11, -12, -113, -114 and -115). This is the total funding that will be available to Brazil from the Multilateral Fund for the total elimination of CFC use in the refrigeration sector in Brazil as well as for all other sectors using these substances, (e.g., foams, aerosols, solvents, sterilants, MDIs etc.). The agreed level of funding will be paid out in instalments in the exact amount of US dollars specified in paragraph 2, and on the basis of the understanding set out in this Agreement.

2. By this Agreement, Brazil commits that, in exchange for the funding specified in Table 1 below, it will eliminate its total consumption of Annex A, Group I substances in accordance with the consumption targets also indicated in Table 1 below. To achieve this goal Brazil will meet the total annual reduction targets specified in Table 1. Ongoing approved projects will be completed and phase out achieved according to the implementation schedules approved for each project and subject to established Fund rules and procedures.

**Table 1
National Control Targets for Annex A Group 1 CFC consumption in ODP tonnes**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Max allowable total consumption of Annex A Group 1 substances (ODP tonnes)	9,276	(9,276)	8,280	6,967	5,020	3,070	2050	1000	424	74	0
Total annual reduction (ODP tonnes)	-	-	996	1,313	1,947	1,950	1,020	1,050	576	350	74
Reduction from ongoing projects	-	-	745	313	1210	1207	0	0	0	0	0
New reduction under plan	-	-	251	1000	737	743	1,020	1,050	576	350	74
Total agreed funding (US \$ million)				9.5	6.42	5.27	3.10	1.19	0.87	0.25	0.10
Agency support costs (US \$ million)				0.8353	0.563	0.4595	0.2642	0.0923	0.0635	0.0125	0.005

3. In order to facilitate early establishment of Brazil's implementation and monitoring unit, achievement of Brazil's 2002 and 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 37th Meeting to provide US \$9.5 million plus agency support costs to Brazil.

4. The Executive Committee also agrees in principle to payments in 2003 and subsequent years in the exact amount listed in Table 1, subject to:

- (a) achievement of the consumption limits specified in the first row of Table 1 and the other performance requirements contained in this agreement; and
- (b) consideration of an annual implementation plan for the following year.

Thus, for example, the payment indicated in year 2003 will be for activities to be implemented in 2004, and so on. The Executive Committee will strive to provide the specified funding at the last meeting of the year concerned.

5. Payments noted in Table 1, other than the initial payment in 2002, will be released based on confirmation that: the agreed maximum consumption targets noted in Table 1 for the previous year have been achieved; it has been verified that CFC phase-out has taken place, and that a substantial proportion of the activities planned for the previous year were undertaken in accordance with the annual implementation plan.

6. For example, payment in 2003 for the 2004 implementation programme will be conditional on satisfactory verification that Brazil has, as a minimum: met its consumption targets for 2002 as specified in Table 1; achieved at least one third of the reductions in consumption for 2003 as also indicated in Table 1, and; completed the 2002 implementation plan activities and the 2003 activities planned for completion before the 2003 reporting date. Payment in 2004 for the 2005 implementation plan will be released based on confirmation that the 2003 consumption targets have been met, and so on for future years.

7. The Government of Brazil agrees to ensure accurate monitoring of the phase-out. The Government of Brazil will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures provided under this Agreement will be, as a minimum, consistent with Brazil's compliance with the Montreal Protocol regarding Annex A Group I CFCs and will be reported to the Ozone Secretariat pursuant to Article 7 of the Montreal Protocol.

8. The Government of Brazil also agrees to allow independent verification audits as provided for in this Agreement, a biennial verification to be implemented as part of the relevant annual work programme of monitoring and evaluation of the Multilateral Fund and; in addition, such external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed in Table 1 and that implementation of the national CFC phase-out plan proceeds as scheduled and agreed in annual implementation programmes.

9. The National CFC Phase-out Plan for Brazil, the Brazilian Country Programme and other related documentation may include estimates of specific funds that were thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Brazil with maximum flexibility in using the agreed funds to meet the reduction targets and the consumption limits agreed in Table 1. The Executive Committee understands that during implementation, the funds provided to Brazil pursuant to this Agreement may be used in any manner consistent with

this Agreement that Brazil believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between Brazil and UNDP as the lead implementing agency in the National CFC Phase-out Plan for Brazil as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Brazil to achieve a complete CFC phase-out, it is noted that Brazil is committing to contribute the level of resources necessary to implement the plan and to achieve the consumption limits in Table 1 of this Agreement.

10. The Government of Brazil agrees that the funding agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of consumption of Annex A Group I substances is the total funding that will be available to Brazil to allow its full compliance with the reductions in consumption and the phase-out as agreed with the Executive Committee of the Multilateral Fund, and that no additional Multilateral Fund resources will be forthcoming for any additional activities related to phase out of Annex A Group I substances. It is also understood that aside from the agency fee referred to in paragraph 12 below, the Government of Brazil, the Multilateral Fund, and its implementing and bilateral agencies will neither request nor provide further Multilateral Fund-related funding for the accomplishment of the total phase-out of Annex A Group I substances.

11. The Government of Brazil agrees that if the Executive Committee meets its obligations under this Agreement, but Brazil does not meet the reduction requirements outlined in Table 1, or other requirements outlined in this document, the implementing agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in Table 1 until such time as the required reduction has been met. It is clearly understood that the fulfilment of this Agreement depends on satisfactory performance by both the Government of Brazil and the Executive Committee of their obligations. In addition, Brazil understands that with respect to all calendar year targets beginning with 2002, as set out in Table 1 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for phase-out of CFC-11 in the foam sector in the amount of US \$9,200 per ODP tonne of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

12. UNDP has agreed to be the lead implementing agency for the implementation of this national CFC phase-out plan which will be completed in 2010. A fee of 5 per cent of the annual funding for project implementation and monitoring and 9 per cent of the annual funding for all other activities has been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. As the lead implementing agency, UNDP will be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with this agreement and with specific UNDP procedures and requirements as specified in the National CFC Phase-out Plan for Brazil, as revised;
- (b) Providing verification to the Executive Committee that the consumption targets listed in Table 1 and the associated annual activities have been met;
- (c) Assisting Brazil in preparation of annual implementation programmes,

- (d) Ensuring that achievements in previous annual programmes are reflected in future programmes;
- (e) Reporting on the implementation of the annual implementation programmes commencing with the submission for the 2004 annual implementation programme to be prepared and submitted in 2003;
- (f) Ensuring that technical reviews undertaken by UNDP are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
- (i) Verification for the Executive Committee that national Annex A Group I consumption for Brazil has been completed based on the schedules listed in Table 1;
- (j) Ensuring that disbursements are made to Brazil based on agreed performance targets in the project and provisions in this Agreement;
- (k) Providing policy development assistance when required.

13. The funding components of this Decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of any other consumption sector projects or any other related activities in the country.

Annex IV

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF
INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 37th MEETING**

Algeria

1. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Algeria and notes with appreciation the fact that Algeria reported 2000 CFC consumption to the Ozone Secretariat that is lower than its CFC baseline, and that Algeria appears to be able to comply with CFC consumption freeze. The Executive Committee also notes that Algeria has taken steps to further phase out its ODS consumption including the adoption of its ODS legislation, the implementation of investment projects in the commercial refrigeration and aerosol sectors, the elaboration and implementation of strategies to phase out halons and methyl bromide and the continued co-ordination of public awareness activities. These and other activities are encouraging and the Executive Committee appreciates the efforts of Algeria to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Algeria will continue the implementation of its licensing system, RMP and other ODS phase-out investment projects.

Burundi

2. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Burundi and notes with appreciation the fact that Burundi reported 2000 CFC consumption to the Ozone Secretariat that is lower than its CFC baseline, and that Burundi appears to be able to comply with CFC consumption freeze. The Executive Committee also notes that Burundi has taken steps to phase out its ODS consumption, including co-ordination of public awareness activities, enhancement of ODS legislation, collection and dissemination of data concerning CFC consumption and implementation of training on recovery and recycling, good service practices and customs. These and other activities are encouraging and the Executive Committee appreciates the efforts of Burundi to reduce its consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Burundi will continue the implementation of the Montreal Protocol, its RMP projects and awareness activities.

Fiji

3. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Fiji and notes with appreciation the fact that Fiji reported 1999 and 2000 CFC consumption to the Ozone Secretariat are lower than its CFC baseline and that Fiji appears to be able to comply with CFC consumption freeze. The Executive Committee also notes that Fiji has taken steps to phase out its ODS consumption, including public awareness

activities, completion of ongoing RMP projects and the elaboration of new phase-out activities. These and other activities are encouraging and the Executive Committee appreciates the efforts of Fiji to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Fiji will continue the implementation of its projects and activities.

Gabon

4. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Gabon and notes with appreciation the fact that Gabon reported 2001 CFC consumption to the Ozone Secretariat that is lower than its CFC baseline, and that Gabon appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Gabon has taken steps to phase out its ODS consumption, including public awareness activities, enhancement of ODS legislation and collection of data concerning CFC consumption. These and other activities are encouraging and the Executive Committee appreciates the efforts of Gabon to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Gabon will have fully implemented a licensing system and restrict imports of all CFCs to the levels needed to ensure compliance with the Montreal Protocol measures.

Lebanon

5. The Executive Committee has reviewed the information presented in the institutional strengthening project for Lebanon and notes with appreciation that the implemented projects have enabled the reduction of CFC consumption from 923 ODP tonnes in 1993 to 540 ODP tonnes in 2000. The Executive Committee also notes that Lebanon has completed a demonstration project in the methyl bromide sector, followed by the formulation and subsequent implementation of investment projects to completely phase out the consumption of methyl bromide; continued implementation of projects in the aerosol sector; implemented training programmes and workshops; increased public awareness and disseminated information on ozone related issues. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Lebanon. Over the next two years, Lebanon intends to focus on fulfilment of its Montreal Protocol commitments to meet the targets set out for the 2005 50 per cent reductions of Annex A substances, as well as those contained within its methyl bromide phase-out programme.

Maldives

6. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Maldives and notes with appreciation the fact that Maldives reported 2000 CFC consumption to the Ozone Secretariat that is lower than its CFC baseline, and that Maldives appears to be able to comply with CFC consumption freeze. The Executive Committee also notes that Maldives has taken additional steps to phase out its ODS consumption, including public awareness activities, enhancement of ODS legislation and elaboration of ODS phase-out activities. These and other activities are encouraging and the Executive Committee appreciates the efforts of Maldives to reduce the consumption of CFCs.

The Executive Committee expressed the expectation that, in the next two years, Maldives will continue the implementation of the Montreal Protocol, its RMP projects and the awareness activities.

Mexico

7. The Executive Committee has reviewed the information presented in the institutional strengthening project for Mexico and notes with appreciation the fact that Mexico's achievements have enabled the country to reduce its Annex A substances significantly, freeze levels for the reporting period 2000-2002. The Executive Committee also notes that Mexico has taken significant steps over the years to phase out its ODS consumption in numerous sectors including developing official standards in domestic and commercial refrigeration equipment, implementing a licensing system to assist in controlling the use of ODS; implementing demonstration projects in methyl bromide and adopting control measures for importers and distributors in the same sector. These and other activities are encouraging and the Executive Committee appreciates the efforts of Mexico to reduce the consumption of controlled substances under the Montreal Protocol. The Executive Committee expressed the expectation that in the next two years, Mexico will introduce specific controls and ban on products and activities in more industries such as aerosols and solvents; prepare a strategy with the refrigerant distribution system for training purposes and start a retrofit programme; and continue its efforts in the phase-out of methyl bromide.

Nepal

8. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Nepal and notes with appreciation the fact that Nepal reported 2000 and 2001 data to the Ozone Secretariat that are lower than its CFC baseline, and that Nepal appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Nepal has taken additional steps to phase out its consumption of ODS, including the implementation of its RMP and promulgation of ODS regulations including the introduction of permits in February 2001 and establishment of a licensing system to monitor and control the trade in ODS, training of technicians and customs officers; implementation of public and industry awareness activities. These and other activities are encouraging, and the Executive Committee appreciates the efforts of Nepal to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Nepal will continue the implementation of the licensing system, its RMP and investment projects.

Peru

9. The Executive Committee has reviewed the information presented in the institutional strengthening request for Peru. The Executive Committee expressed concern that the 2000 CFC consumption reported by Peru to the Ozone Secretariat is higher than its CFC baseline and that, as a consequence, Peru may have difficulties in complying Montreal Protocol measures. Despite this concern, the Executive Committee notes that Peru has taken significant steps to phase out its consumption of ODS including the establishment of a licensing system to control imports of

ODS, implementation of investment projects in the refrigeration, foam and solvent sectors and the co-ordination of awareness activities to enhance general public knowledge on the ODS related legislation. These and other activities are encouraging, and the Executive Committee appreciates the efforts of Peru to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Peru will have fully implemented all the CFC-related activities to ensure compliance with the Montreal Protocol measures.

Saint Lucia

10. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Saint Lucia and notes with appreciation the fact that Saint Lucia reported 2000 data to the Ozone Secretariat that is lower than its CFC baseline, and that Saint Lucia appears to be able to comply with the CFC consumption freeze. The Executive Committee also notes that Saint Lucia has taken steps to phase out its consumption of ODS, including the establishment of a data collection system, the training of technicians and customs officers, the development of a licensing system and public awareness and education programmes. This is encouraging, and the Executive Committee appreciates the efforts of Saint Lucia to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Saint Lucia will continue the implementation of its licensing system, RMP and non-investment projects.

Sri Lanka

11. The Executive Committee has reviewed the information presented in the institutional strengthening project for Sri Lanka and notes with appreciation the fact that the reported CFC consumption for the year 2001 (180.1 ODP tonnes) is below the 50 per cent reduction target set for the year 2005. However, the Executive Committee is concerned about the rising consumption of CTC (22.3 ODP tonnes), mostly used in the production of activated carbon. The Executive Committee notes that in 1998 it was unable to approve a project proposal to eliminate CTC due to eligibility rules, but hopes that the Government of Sri Lanka may consider banning the use of CTC in this sector through legislative measures. In its submission, Sri Lanka reported on a number of initiatives it has undertaken including the reduction of CFC over its 50 per cent baseline level; the process to ratify the Beijing amendment of the Montreal Protocol; establishment of a licensing system for imports of ODS; implementation of public awareness campaigns and training programmes for refrigeration service technicians. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Sri Lanka. Over the next two years, Sri Lanka will continue implementation of activities and initiatives to further reduce its consumption of controlled substances and focus on the fulfilment of the Montreal Protocol commitments.

Togo

12. The Executive Committee has reviewed the information presented in the institutional strengthening renewal request for Togo and notes with appreciation the fact that Togo reported 2000 and 2001 data to the Ozone Secretariat that are lower than its CFC baseline. The Executive Committee also notes that Togo has undertaken activities to phase out its consumption of ODS,

including the implementation of its country programme and public awareness activities. The Executive Committee appreciates the efforts of Togo to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Togo will accelerate the implementation of its licensing system and other ODS related legislation and the sub-projects in its RMP.

Uruguay

13. The Executive Committee has reviewed the information presented in the institutional strengthening project for Uruguay and notes with appreciation the fact that Uruguay's reported CFC consumption for the year 2001 is well below the CFC compliance baseline. In its submission, Uruguay reported on a number of important initiatives it has undertaken including surpassing its CFC freeze target; completing successfully several projects; setting up the Uruguayan Association of Air Conditioning and Refrigeration; completing a demonstration project for phasing out methyl bromide and starting implementation of an investment project for the phase-out of methyl bromide in horticulture and cut-flowers; establishing a registration and monitoring MB system; approving two framework laws and a decree for restricting the production and import of equipment with ODS; implementing the ODS import licensing system; and banning the production, import and export of equipment and goods made with or requiring CFC; implementing successfully a consultative and collaborative approach for CFC phase-out through agreements with government bodies, academic institutions and private organisations; and continuing its attention towards public information and awareness raising. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Uruguay. Over the next two years, Uruguay intends to focus on fulfilling its Montreal Protocol commitments, and the Executive Committee greatly appreciates the efforts of Uruguay in trying to meet its challenging 50 per cent reduction target in 2005.

Venezuela

14. The Executive Committee has reviewed the institutional strengthening project request for Venezuela and notes with appreciation the fact that Venezuela reported CFC consumption for the year 2001 below the CFC compliance baseline. In its submission, Venezuela reported on a number of important initiatives it has undertaken including completion of strategic plans for the production and end-users sectors within the RMP, both to be included in a national plan for total phase-out; completion of four investment projects in the foam sector, thereby reducing the CFC consumption in this sector by more than 300 ODP tonnes; also the total CFC consumption was reduced by 400 ODP tonnes and imports were reduced by 800 ODP tonnes. These and other activities reported are encouraging, and the Executive Committee appreciates the efforts of Venezuela. Over the next two years, Venezuela intends to implement the foam sector strategy plan; finalise an agreement for the early closure of its CFC production plant; prepare a project for the end users (chillers) and a terminal project for the refrigeration equipment manufacturing sector; promote recovery and recycling of refrigerants and awareness campaign; and revise its ODS import/export licensing system.

Annex V

**AGREEMENT FOR PHASE-OUT OF CFCs IN THE
REFRIGERATION (MANUFACTURING) SECTOR IN INDONESIA
(DRAFT)**

1. The Executive Committee approves in principle a total of US \$6,398,000 in funding for the phased reduction and complete phase-out of CFCs used in the Refrigeration (Manufacturing) Sector in Indonesia. This is the total funding that would be available to Indonesia from the Multilateral Fund for the complete elimination of CFC used in the Refrigeration (Manufacturing) Sector in Indonesia, by 31 December 2007. The agreed level of funding would be disbursed in instalments as indicated in Table 1 and on the basis of the understanding set out in this agreement. By this agreement, Indonesia commits that it will eliminate its total CFC consumption in the Refrigeration (Manufacturing) Sector in accordance with the phase-out target and CFC consumption limits as indicated in Table 1.

Table1: Disbursement Schedule and Control Targets for CFC Consumption/Phase-out in the Refrigeration (Manufacturing) Sector in Indonesia

Parameter	2002	2003	2004	2005	2006	2007	2008	Total
Annual CFC consumption limit in Refrigeration (Manufacturing) Sector (ODP MT)	1,231	1,231	1,141	841	541	241	0	N/A
Annual CFC phase-out target in the Refrigeration (Manufacturing) Sector (ODP MT)	0	90	300	300	300	241	0	1,231
Total Annual Funding Instalment (US\$)	1,288,000	1,600,000	2,362,000	750,000	217,000	181,000	0	6,398,000
Agency Support Costs (US\$)	111,920	140,000	210,900	67,500	19,530	16,290	0	566,140
Total cost to the Multilateral Fund (US\$)	1,399,920	1,740,000	2,572,900	817,500	236,530	197,290		6,964,140

2. The phase-out of CFCs achieved in the Refrigeration (Manufacturing) Sector in excess of the specified target for a given year will contribute to achievement of the phase-out targets in subsequent years.

3. The Executive Committee also agrees in principle that the funds for the implementation of the annual programme for any given year will be provided in accordance with the disbursement schedule in Table 1 for the exact amount listed for that year and on the basis of the implementation programme for the year, subject to the performance requirements contained in this agreement. The Executive Committee will strive to ensure that funds are provided at its second meeting in the preceding year. The funding instalments for 2004, 2005, 2006 and 2007 will be released subject to:

- (a) Confirmation that all agreed phase-out targets and consumption limits for the previous year have been achieved;
- (b) The verification that the activities planned for the previous year were undertaken in accordance with the annual implementation programme.

4. The Government of Indonesia agrees to ensure accurate monitoring of the phase-out. The Government of Indonesia will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. The consumption figures provided under this agreement will be consistent with Indonesia's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of Indonesia also agrees to allow independent verification audits as provided for in this agreement, a mid-term examination to be administered as part of the annual work programme of monitoring and evaluation of the Multilateral Fund, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Refrigeration (Manufacturing) Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

5. The Executive Committee agrees to provide Indonesia with flexibility in using the agreed funds to meet the consumption limits indicated in Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to Indonesia pursuant to this Agreement may be used in the manner that Indonesia considers will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between Indonesia and UNDP in the Refrigeration (Manufacturing) Sector Phase-out Plan as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Indonesia in achieving a complete CFC phase-out in the Refrigeration (Manufacturing) Sector, it is understood that Indonesia is committing to provide the necessary level of resources as may be required for the implementation of the plan and for achieving the consumption limits indicated in Table 1 above.

6. The Government of Indonesia agrees that the funds being agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of CFCs in the Refrigeration (Manufacturing) Sector are the total funding that will be available to Indonesia to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the Refrigeration (Manufacturing) Sector. It is also understood that aside from the agency fee referred to in paragraph 8 below, the Government of Indonesia, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral

Fund related funding for the accomplishment of the total phase-out of CFCs in the Refrigeration (Manufacturing) Sector in Indonesia.

7. The Government of Indonesia agrees that if the Executive Committee meets its obligations under this Agreement, but Indonesia does not meet the reduction requirements outlined in Table 1, or other requirements outlined in this document, the implementing agency and the Multilateral Fund will withhold funding for subsequent tranches of funding outlined in Table 1 until such time as the required reduction has been met. It is clearly understood that the fulfilment of this Agreement depends on satisfactory performance by both the Government of Indonesia and the Executive Committee of their obligations. In addition, Indonesia understands that with respect to all calendar year targets beginning with 2004, as set out in Table 1 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for phase-out of Annex A Group I substances in the amount of US \$11,200 per ODP tonne of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

8. UNDP has agreed to be the Implementing Agency for the implementation of this Sector Phase-out Plan, which will be completed by the end of 2007. A fee of a total of 9 per cent of the value of investment activities and 5 per cent of the value of the policy and management support activities has been agreed in accordance with provisions of this Agreement as indicated in Table 1. As the implementing agency, UNDP would be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Refrigeration (Manufacturing) Sector Phase-out Plan;
- (b) Reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) Ensuring that technical reviews undertaken by UNDP are undertaken by appropriate independent technical experts;
- (e) Assisting Indonesia in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) Verifying to the Executive Committee that CFC consumption phase-out in the Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in Table 1;

- (i) Ensuring that disbursements are made to Indonesia based on agreed performance targets in the project and provisions in this Agreement;
- (j) Providing assistance for policy, management and technical support for implementation of the Sector Phase-out Plan, as and when required.

9. The Government of Indonesia also commits through this agreement to permanently sustain the reductions included in Table 1.

Annex VI

**AGREEMENT FOR PHASE-OUT OF CFCs IN THE FOAM SECTOR IN INDIA
(DRAFT)**

1. The Executive Committee approves in principle a total of US \$5,424,577 in funding for the phased reduction and complete phase-out of CFCs used in the Foam Sector in India. This is the total funding that would be available to India from the Multilateral Fund for the complete elimination of CFC use in the Foam Sector in India, by 31 December 2006. The agreed level of funding would be disbursed in instalments as indicated in Table 1 and on the basis of the understanding set out in the agreement. By this agreement, India commits that it will eliminate its total CFC consumption in the Foam Sector in accordance with the phase-out target and CFC consumption limits as indicated in Table 1.

Table 1: Disbursement Schedule and Control Targets for CFC Consumption/Phase-out in the Foam Sector in India

Parameter	2002	2003	2004	2005	2006	2007	Total
Annual CFC consumption limit in Foam Sector (ODP MT)	1,655	1,434	1,037	529	128	0	N/A
Annual CFC phase-out target in the Foam Sector (ODP MT)	221	397	508	401	128	0	1,655
Total Annual Funding Instalment (US\$)*	1,500,000	1,750,000	1,500,000	450,000	224,577	0	5,424,577
Agency Support Costs (US\$)	131,000	153,500	131,000	40,500	20,212	0	476,212
Total cost to the Multilateral Fund (US\$)	1,631,000	1,903,500	1,631,000	490,500	244,789	0	5,900,789

*Includes policy and management support cost of US \$100,000 for each of the years 2002 - 2004.

2. The phase-out of CFCs achieved in the Foam Sector in excess of the specified target for a given year will contribute to achievement of the phase-out targets in subsequent years.

3. The Executive Committee also agrees in principle that the funds for the implementation of the annual programme for any given year will be provided in accordance with the

disbursement schedule in Table 1, for the exact amount listed for that year and on the basis of the implementation programme for the year, subject to the performance requirements contained in this agreement. The Executive Committee will strive to ensure that the funds are provided at the second meeting of the Executive Committee in the preceding year. The funding instalments for 2003, 2004, 2005 and 2006 will be released subject to:

- (a) confirmation that the consumption limit for the previous year specified in Table 1 and associated phase-out targets have been achieved;
- (b) the verification that the activities planned for the previous year were undertaken in accordance with the annual implementation programme.

4. The Government of India agrees to ensure accurate monitoring of the phase-out. The Government of India will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. The consumption figures provided under this agreement will be consistent with India's reports to the Ozone Secretariat under Article 7 of the Montreal Protocol. The Government of India also agrees to allow independent verification audits as provided for in this agreement, a mid-term examination to be administered as part of the annual work programme of monitoring and evaluation of the Multilateral Fund, and in addition, external evaluation as may be directed by the Executive Committee, to verify that annual CFC consumption levels correspond to those agreed and that the implementation of the Foam Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

5. The Executive Committee agrees to provide India with flexibility in using the agreed funds to meet the consumption limits indicated in Table 1. The Executive Committee has the understanding that during implementation, as long as it is consistent with this Agreement, the funds provided to India pursuant to this Agreement may be used in the manner that India considers will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between India and UNDP in the Foam Sector Phase-out Plan as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to India in achieving a complete CFC phase-out in the Foam Sector, it is understood that India is committing to provide the necessary level of support as may be required for the implementation of the plan and for achieving the consumption limits indicated in Table 1 attached.

6. The Government of India agrees that the funds being agreed in principle by the Executive Committee at its 37th Meeting for the complete phase-out of CFCs in the Foam Sector are the total funding that will be available to India to enable its full compliance with the reduction and phase-out as agreed with the Executive Committee, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the Foam Sector. It is also understood that aside from the agency fee referred to in paragraph 8 below, the Government of India, the Multilateral Fund, and its Implementing Agencies, and bilateral donors will neither request nor provide further Multilateral Fund related funding for the accomplishment of the total phase-out of CFCs in the Foam Sector in India.

7. The Government of India agrees that if the Executive Committee meets its obligations under this Agreement, but India does not meet the reduction requirements outlined in Table 1

and other requirements outlined in this Agreement, the Implementing Agency and the Multilateral Fund will withhold subsequent funding disbursements until such time as the required reduction has been met. It is clearly understood that the fulfilment of this Agreement depends on the satisfactory performance of its obligations by both the Government of India and the Executive Committee. In addition, India understands that with respect to all calendar year targets beginning with 2002, as set out in Table 1 of this Agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for phase-out of CFC-11 in the foam sector in the amount of US \$16,200 per ODP tonne of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

8. UNDP has agreed to be the Implementing Agency for the implementation of this Sector Phase-out Plan, which will be completed by the end of 2006. A fee of a total of 9 per cent of the value of investment activities and 5 per cent of the value of the policy and management support activities has been agreed in accordance with provisions of this Agreement as indicated in Table 1. As the implementing agency, UNDP would be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Foam Sector Phase-out Plan;
- (b) Reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met;
- (d) Ensuring that the required verification audits are undertaken by appropriate independent technical experts;
- (e) Assisting India in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;
- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) Verifying to the Executive Committee that CFC consumption phase-out in the Foam Sector has been completed based on the schedules listed in Table 1;
- (i) Ensuring that disbursements are made to India based on agreed performance targets in the project and provisions in this Agreement;

- (j) Providing assistance for policy, management and technical support for implementation of the Sector Phase-out Plan, as and when required and report on these activities to the Executive Committee.

9. The Government of India also commits through this agreement to permanently sustain the reductions included in Table 1. As a result of this project India's maximum level of CFCs remaining eligible for funding is [To be advised].
