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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Twenty-seventh Meeting of the Sub-Committee on Project Review
Rome, 18-19 November 2002

**REPORT OF THE TWENTY-SEVENTH 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 Rome, on 18 and 19 November 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. A representative of Finland attended the meeting as an observer.
4. The meeting was also attended by the representative of the Environmental Investigation Agency as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

5. The meeting was opened by the Chairman of the Sub-Committee, Mr. Javier Camargo (Colombia), at 10 a.m. on Monday, 18 November 2002.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

6. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/27/1:

1. Opening of the meeting
2. Adoption of the agenda
3. Introductory remarks
4. Organization of work
5. Overview of issues identified during project review
6. Bilateral cooperation
7. Work programmes:
 - (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;
 - (e) Work programme of UNEP for the year 2003.
8. UNEP's preliminary report on the use of the programme support cost (Decision 35/36(b))
9. Investment projects
10. Policy paper:
 - (a) Funding of technology that is not in the public domain: follow-up to Decision 37/62
11. Other matters
12. Adoption of the report
13. Closure of the meeting

AGENDA ITEM 3: INTRODUCTORY REMARKS

7. The Chief Officer welcomed the members of the Sub-Committee on Project Review. He thanked the Government of Italy for its very successful efforts to create a welcoming location for the meeting. He said that the agenda of the current meeting would focus mainly on proposals concerning issues identified during project review, as well as on investment projects submitted by bilateral and implementing agencies. The programme of work of the Sub-Committee reflected the new strategic phase of the Multilateral Fund, with sectoral, subsectoral and national plans to be considered. As the Article 5 countries were already in the compliance stage, it was to be expected that the work of the Sub-Committee would focus more on projects and activities relating to compliance and perhaps less on questions of eligibility and incremental costs as in the past. The Sub-Committee would also consider work programme amendments for the implementing agencies for the year 2002, as well as the work programme of UNEP for the year 2003. Additionally, a policy paper was submitted for the Sub-Committee's consideration.

8. He said that the Sub-Committee would have to consider funding requests involving proposals for agreements between the Executive Committee and the Governments of India, Indonesia, Kenya, Nigeria and Philippines on sectoral or national CFC phase-out plans in those countries.

9. The Sub-Committee would consider for the first time two transitional strategies related to metered dose inhalers (MDIs) and the first investment project submitted by one country for the conversion of MDIs to non-CFC technology. In addition, two countries had also submitted sectoral/sub-sectoral phase-out plans for CTC used as a process agent.

10. He pointed out that the total value of projects and activities received, including sectoral strategies and plans for submission to the 38th Meeting, was \$430 million. The scale of those activities had required the Secretariat to take a holistic approach, consolidating countries' sectoral and sub-sectoral plans submitted by bilateral and implementing agencies. That had caused some delay in the submission of documents, for which he sought the meeting's indulgence.

11. Subsequently, the efforts of the Secretariat had resulted in agreement on the incremental costs of most of the projects submitted.

12. He reported that the funds available for commitment from the Multilateral Fund currently stood at \$85.2 million.

AGENDA ITEM 4: ORGANIZATION OF WORK

13. Following the suggestion of the Chair, the Sub-Committee decided to organize its work in accordance with the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/27/1 and the annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/27/1/Add.1/Rev1.

AGENDA ITEM 5: OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

(a) Assignment of CFC consumption between sectors

14. The Chair drew the attention of the Sub-Committee to paragraphs 4 to 8 of the overview paper (UNEP/OzL.Pro/ExCom/38/15). He indicated that the Secretariat had advised on instances where previous officially reported data varied from the data contained in proposals for multi-year sector plans submitted under the "starting point" of an Article 5 country. That could have implications for determination of incremental costs and could delay project proposals.

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

- (a) Stress that the assignment of CFC consumption between sectors should be strongly justified, and must be based on existing and verifiable use;
- (b) Decide that the emerging issues should continue to be resolved among the Secretariat and countries and implementing agencies on a case-by-case basis, in accordance with the rules of the Fund.

(b) Countries without a compliance baseline

16. The Chair drew the attention of the Sub-Committee to paragraphs 9 and 10 of the overview paper (UNEP/OzL.Pro/ExCom/38/15). He pointed out that the Secretariat had originally received proposals for projects and activities in three countries for which the baseline CFC consumption had not been established, Angola, Bosnia and Herzegovina and Haiti. Projects from the latter two countries had not been submitted to the current meeting. The compliance requirements for those countries could not, at present, be determined.

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

- (a) Urge all implementing agencies responsible for an institutional strengthening project in a country without a compliance baseline to ensure that, before projects and activities other than institutional strengthening were prepared and submitted to the Executive Committee, the country had been provided with every assistance, as a matter of urgency, to report its compliance baseline data and describe its situation to the Ozone Secretariat;
- (b) Decide that projects for countries that did not have a compliance baseline should be considered in the light of the advice provided by the Implementation Committee.

(c) Project proposals with minimal impact on phase-out obligations

18. The Chair drew the attention of the Sub-Committee to paragraph 11 of the overview paper (UNEP/OzL.Pro/ExCom/38/15). He pointed out that one project had been submitted in the solvent sector in India that would produce a small phase-out compared to the total CTC consumption of over 8,000 ODP tonnes in 2000. The eligibility and cost of the project had been agreed. The project had nonetheless been referred for individual consideration to highlight the issue of a country that had an urgent need for assistance in a sector.

19. Following a discussion, the Sub-Committee recommended that the Executive Committee urge implementing agencies to take all necessary measures to provide assistance to countries that were at risk in regard to their impending Montreal Protocol control obligations.

20. One representative clarified that the recommendation should not be seen as impeding approval of India's project for conversion of CTC as a cleaning solvent to trichloroethylene at Navdeep Engineering, that was being submitted for consideration at the current Meeting.

(d) Project proposals in which the country would be in non-compliance

21. The Chair drew the attention of the Sub-Committee to paragraphs 12 and 13 of the overview paper (UNEP/OzL.Pro/ExCom/38/15). He pointed out that the national CFC phase-out plan for Albania had been submitted for consideration at the current Meeting. The proposal was based on the country remaining in non-compliance with the freeze and 50 per cent reduction in its CFC consumption until 2007. While the country programme for Albania had been submitted to the Meeting, the phase-out plan had been deferred in accordance with Decision 37/20 (a), in which the Executive Committee had decided that project proposals in which the 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. He indicated that UNIDO had been advised to urge Albania to report its situation to the Implementation Committee through the Ozone Secretariat.

22. Following a discussion, the Sub-Committee noted that decision 37/20 (a) had scope for interpretation and recommended that the Executive Committee continue to consider, on a case-by-case basis, projects in which decision 37/20 (a) was involved.

AGENDA ITEM 6: BILATERAL COOPERATION

23. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/16 and Corr.1 on bilateral cooperation. According to the documentation, a total of 11 requests for bilateral cooperation, amounting to just over \$12 million, had been submitted by Governments including Germany, Italy, Japan, Sweden and Switzerland.

24. The representative of France pointed out that there was an error in the documentation and that the two bilateral cooperation projects for Mauritania, indicated as having been withdrawn, had not, in fact been submitted to the 38th Meeting of the Executive Committee.

25. 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/38/16 and Corr.1 with the amendments below, at the level of funding indicated in Annex I to the present report.

Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors (Italy) (UNEP/OzL.Pro/ExCom/38/27, Add 1, Add 1/Corr.1 and Add.2)

26. The Sub-Committee recommended that the Executive Committee approve the Italian component of the sector plan for domestic refrigeration and domestic refrigeration compressors for China at the level of funding indicated in Annex I to the present report, consistent with decision 38/[...].

Nigeria: Preparatory project for a national information, education and communication campaign for compliance with the Montreal Protocol (Japan) (UNEP/OzL.Pro/ExCom/38/16 and Corr 1)

27. The Chair drew the attention of the Sub-Committee to paragraphs 14 to 22 of document UNEP/OzL.Pro/ExCom/38/16. He pointed out that the Government of the Japan had submitted a preparatory project for a national information, education and communication campaign on compliance with the Montreal Protocol. The activity for Nigeria was not included in Japan's 2002 business plan; however, there were remaining funds for bilateral activities in the bilateral allocation for Japan.

28. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above proposal at a level of funding of \$68,000 plus programme support costs, on the understanding that:

- (a) The project would focus on the fostering of fundamental capabilities of Nigeria to produce country-specific indigenous media relations and the establishment of cooperative structures within government, industry, non-governmental organizations and the education system to promote action-oriented public understanding and support for ODS phase-out during the compliance period through interaction of media and non-governmental organizations entities in Japan;
- (b) The project should ensure cost-effective participation of media experts and non governmental organizations resource persons from bilateral sources who would facilitate the establishment of information and media strategy on the protection of the ozone layer, drawing upon the experience of non Article 5 countries in achieving national compliance with the Montreal Protocol;
- (c) The project would benefit from any services and input available from the CAP and would be harmonized with the awareness-raising components of the approved projects in the related areas in Nigeria, taking into account the comments made by the Fund Secretariat in paragraphs 17 to 21 of document UNEP/OzL.Pro/Excom/38/16;

- (d) The charge against the aggregate baseline ODP level at \$12.1/kg should be applied in accordance with Decision 35/57.

Asia and Pacific Region: Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol (phase 2) (Japan) (UNEP/OzL.Pro/ExCom/38/16 and Corr.1)

29. The Chair drew the attention of the Sub-Committee to paragraphs 23 to 36 of document UNEP/OzL.Pro/ExCom/38/16 and Corr.1. He pointed out that the Government of Japan had already assisted the region with the implementation of a strategic plan to promote compliance with the Montreal Protocol, during the first phase, which had been approved at the 34th Meeting, and was now requesting funds for the second phase of the project.

30. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project at the level of \$125,000 plus programme support costs, on the understanding that:

- (a) The Japanese Government would assist Iran and Mongolia in preparing country consultations in these countries and help convene in either of these countries a country consultation meeting on the model of the consultation held in Sri Lanka in the year to come;
- (b) Such consultation should result in the establishment of commitment and shared responsibilities for national compliance by all stakeholders at the highest level such as those of the National Ozone Unit, central and local government entities, policy makers at parliamentary level, industry associations and non-governmental organizations, through networking among them and should facilitate elaboration of a national compliance strategy and expedite implementation of approved phase-out measures as well as the identification of further measures required to achieve compliance;
- (c) The project should ensure cost-effective participation of experts and resource persons from bilateral sources who would contribute to the country consultation by providing, knowledge and information on the state of the art on the use of technologies and experience in ODS phase-out in Japan;
- (d) The charge against the aggregate baseline ODP level at \$12.1/kg should be applied to the non-LVC Party, in accordance with Decision 35/57; and
- (e) The Japanese Government would coordinate its activities with the projects approved in the related areas for other implementing agencies, taking into account the comments made by the Fund Secretariat in paragraphs 28-35 of document UNEP/OzL.Pro/ExCom/38/16.

Asia and Pacific Region : Regional cooperation for monitoring and control of ODS consumption for South Asia (Sweden) (UNEP/OzL.Pro/ExCom/38/16)

31. The Chair drew the attention of the Sub-Committee to paragraphs 47 to 56 of document UNEP/OzL.Pro/ExCom/38/16. He pointed out that the Government of Sweden was requesting funds for a project to monitor and control ODS consumption in the Asia and Pacific region. He noted that the Secretariat had indicated its view that the activity was not eligible for funding.

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

- (a) Not approve the project;
- (b) Request UNEP and Sweden to consult on the proposal with a view to revisiting individual components of the project, taking into account the comments made during the discussion in the Sub-Committee on Project Review; and
- (c) Resubmit a revised project proposal to the Executive Committee at its 39th Meeting, incorporating the lessons learned from the first project;
- (d) Maintain the allocated funding in Sweden's 2002 bilateral business plan.

33. One representative expressed skepticism as to whether the project proposal would be able to be approved when it was resubmitted to the Executive Committee.

Philippines: National CFC phase-out plan (Sweden) (UNEP/OzL.Pro/ExCom/38/4 and Add.1)

34. The Sub-Committee recommended that the Executive Committee approve the Swedish component of the national CFC phase-out plan for Philippines at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Philippines and the Executive Committee, contained in Annex II to the present report.

35. 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) \$81,000 against the balance of Germany's bilateral contributions for 2002;
- (b) \$1,950,000 against the balance of Italy's bilateral contributions for 2002;
- (c) \$218,090 against the balance of Japan's bilateral contributions for 2002;
- (d) \$163,716 against the balance of Sweden's bilateral contributions for 2002.

AGENDA ITEM 7: WORK PROGRAMMES

(a) 2002 Work programme amendments of UNDP

36. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/17 and Corr.1, containing the UNDP 2002 work programme amendments.

37. 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/38/17 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Argentina (phase 3): Renewal of institutional strengthening

China (phase 5): Renewal of institutional strengthening

Colombia (phase 4): Renewal of institutional strengthening

Ghana (phase 5): Renewal of institutional strengthening

Iran (phase 4): Renewal of institutional strengthening

Kenya (phase 4): Renewal of institutional strengthening

Malaysia (phase 5): Renewal of institutional strengthening

Trinidad and Tobago (phase 3): Renewal of institutional strengthening

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

Uruguay: MDI transition strategy (\$335,000)

39. The Chair drew the attention of the Sub-Committee to paragraphs 9 to 24 of document UNEP/OzL.Pro/ExCom/38/17. He indicated that the Government of Uruguay had submitted a document related to the transition strategy for the elimination of CFC-based MDIs in Uruguay, for which the Government was requesting \$335,000 for its implementation.

40. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project at a cost of \$70,000, plus agency support costs.

Uruguay: Preparation for MDI conversion (\$25,000)

41. The Chair drew the attention of the Sub-Committee to paragraphs 9 to 24 of document UNEP/OzL.Pro/ExCom/38/17. The Government of Uruguay was requesting \$25,000 for the preparation of an investment project for the conversion of Haymann, the local manufacturer of MDIs, to non-CFC technology.

42. Following a discussion, the Sub-Committee recommended that the Executive Committee not approve the above project.

Fumigant sector

Region Africa: Technical assistance for methyl bromide reductions and formulation of regional phase-out strategies for Low-Volume Consuming countries in Africa.

43. Following the 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:

- (a) Botswana and Cameroon would not be included in the project proposal since the demonstration projects previously approved for UNIDO would result in the complete phase-out of methyl bromide consumption in those countries;
- (b) Because UNIDO had been requested by the Governments of Ethiopia and Zambia to formulate investment projects once ratification of the Copenhagen Amendment had been finalized, the project would include those two countries only insofar as policy support was required to allow for the ratification of the Copenhagen Agreement and that any future investment work post-ratification, as deemed necessary, would be undertaken with UNIDO;
- (c) The project will provide technical assistance to achieve methyl bromide reductions to meet the 20 per cent reduction step in Congo, Democratic Republic of Congo, Nigeria, Sudan and Swaziland, without further assistance from the Multilateral Fund;
- (d) The project will also provide assistance to countries to put in place appropriate mechanisms to reduce and eventually ban imports of methyl bromide;
- (e) UNDP would request all the governments participating in the project, except those in paragraph c above, to submit letters indicating their understanding that in accepting this project they would not return for further methyl bromide funding in future, as per the terms of the revised methyl bromide strategy and guidelines; and
- (f) UNDP agreed to report to the Executive Committee on progress achieved on an annual basis.

(b) 2002 Work programme amendments of UNEP

44. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/18, containing the 2002 work programme amendments of UNEP.

45. 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/38/18, with the amendments below, at the level of funding indicated in Annex I to the present report.

<u>Antigua and Barbuda (phase 2):</u>	<u>Renewal of institutional strengthening</u>
<u>Burkina Faso (phase 5):</u>	<u>Renewal of institutional strengthening</u>
<u>Central African Republic (phase 3):</u>	<u>Renewal of institutional strengthening</u>
<u>El Salvador (phase 3):</u>	<u>Renewal of institutional strengthening</u>
<u>Panama (phase 3):</u>	<u>Renewal of institutional strengthening</u>

46. 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 on the understanding that the level of funding was consistent with past approvals and express to the Governments concerned its observations indicated in Annex III to the present report.

Albania: Institutional strengthening (extension of phase 1)

47. The Chair drew the attention of the Sub-Committee to paragraphs 3 to 8 of document UNEP/OzL.Pro/ExCom/38/18. He indicated that the Government of Albania had submitted to the 38th Meeting, the country programme and the national ODS phase-out plan as a single proposal. According to the data reported by the Government, Albania was not in compliance with the 1999 freeze, nor would it be in compliance in either the 2005 or 2007 based on the proposed CFC phase-out strategy. The Secretariat had consequently withheld the review of the phase-out projects and activities contained in the national ODS phase-out plan, including the institutional strengthening project, pending clarification of Albania's non-compliance status, on the basis of Decision 37/20.

48. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the extension of the institutional strengthening project in Albania for one year at the level of funding indicated in Annex I to the present report, on the understanding that its decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

Haiti: Institutional strengthening

49. The Chair drew the attention of the Sub-Committee to paragraphs 9 and 10 of document UNEP/OzL.Pro/ExCom/38/18. He indicated that prior to the dispatch of documents to members of the Executive Committee, the Secretariat had received an official communication from UNEP requesting the deferral of the Haiti country programme/RMP to the 39th Meeting to further verify ODS consumption data in the country. A request was made to the Executive Committee to consider approval of the institutional strengthening project for a one-year period.

50. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the institutional strengthening project in Haiti for one year at the level of funding indicated in Annex I to the present report, on the understanding that its decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

Sao Tome et Principe: Institutional strengthening

51. The Chair drew the attention of the Sub-Committee to paragraphs 11 and 12 of document UNEP/OzL.Pro/ExCom/38/18. He indicated that the Government of Sao Tome et Principe had ratified the Montreal Protocol during 2001, and received funds for the preparation of its country programme at the 36th Executive Committee Meeting. The funds for the institutional strengthening project for one year were being requested to start work on data-collection, awareness-raising, and the drafting of ODS legislation.

52. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the institutional strengthening project in Sao Tome et Principe for one year, at the level of funding indicated in Annex I to the present report, on the understanding that its decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

(c) 2002 Work programme amendments of UNIDO

53. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/19, containing the UNIDO 2002 work programme amendments.

54. 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/38/19, at the level of funding indicated in Annex I to the present report.

(d) 2002 Work programme amendments of the World Bank

55. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/20, containing the World Bank's 2002 work programme amendments.

Chile (phase 5): Renewal of institutional strengthening

56. 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 Chile its observations indicated in Annex III to the present report.

China: Project preparation for CTC and TCA production closure plan

57. 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.

India: Project preparation for CTC production closure plan

58. 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.

(e) Work programme of UNEP for the year 2003

59. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/21 and Corr.1, containing the 2003 Work Programme for UNEP. He indicated that pursuant to Decision 35/36 (b) UNEP had submitted a preliminary report on the use of the programme support costs for CAP.

60. One representative, supported by another, questioned why UNEP was still applying the flat rate of eight per cent for salaries. That approach did not reflect the reality and should be eliminated: the costs should be incorporated into the budget line 1300 for Administrative support, and programme support costs should be internalized in the UNEP budget. That should be applicable as of the next year.

61. In answer to queries, the representative of UNEP said that the authority to incorporate programme support costs into the CAP budget had been delegated by the Secretary-General to the Executive Director of UNEP. If administrative costs were to be internalized within the CAP budget, it was necessary to consult the Executive Director. Noting that the United Nations system required that obligations processed by the UNEP Paris office be also repeated in Nairobi, he conceded that there was some duplication of functions within the two offices.

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

- (a) Approve the revised UNEP CAP budget for 2003, as contained in Annex IV to the present report, noting that one administrative post had been removed from the UNEP/DTIE office in Paris;
- (b) Request UNEP, in the preparation of future budgets, to take into account the comments and concerns expressed by the Sub-Committee and to prepare unified budgets, internalizing the programme support costs, if necessary in an indicative way.

AGENDA ITEM 8: UNEP'S PRELIMINARY REPORT ON THE USE OF THE PROGRAMME SUPPORT COST (DECISION 35/36(B))

63. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/22. He recalled that through its Decision 35/36 (b), the Executive Committee had requested UNEP to submit a preliminary report to the 38th meeting of the Executive Committee on the use of the programme support costs, with a detailed report to be submitted at the 40th meeting in 2003.

64. One representative, pointing to the large administrative cost of annual project reporting activities, urged UNEP to clear up its large backlog of projects as soon as possible, which would reduce the reporting burden on UNEP.

65. Concerning the proposal contained in the report for reimbursement of UNEP for the function of Treasurer, one representative said that appropriate bodies should examine other options for the choice of a body to carry out the functions, on the understanding that UNEP might not automatically be selected as the body to fulfill the function.

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

- (a) Request UNEP to continue to provide the service of Treasurer at zero cost to the Multilateral Fund, along the lines of the original agreement, for a further period of six months to enable the appropriate bodies, among them the Executive Committee, to examine other options for the choice of a body to carry out the functions, as well as the implications of making changes in the post of Treasurer, on the understanding that UNEP might not automatically be selected as the body to fulfill the function;
- (b) Urge UNEP to clear up its large backlog of projects as soon as possible.

AGENDA ITEM 9: INVESTMENT PROJECTS

(a) Projects recommended for blanket approval

67. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/27/2/Rev.1.

68. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval as contained in document UNEP/OzL.Pro/ExCom/SCPR/27/2/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, and on the understanding that:

- (a) In future, in proposing for approval any projects that included a CFC recovery and recycling programme, the implementing agencies would:
 - (i) Examine the possibility of collaboration for leveraging additional financing, for example from the Global Environment Facility (GEF), to fund the acquisition of machinery which could be used for recovery and recycling of both HFCs and CFCs; and
 - (ii) Consistent with previous decisions, not commence the recovery and recycling component of the RMPs until the legislation controlling CFC imports was in place and the local market prices of CFCs and non-ODS refrigerants were similar;

- (b) For projects to phase-out CFCs by conversion to HCFC technologies, Governments had officially endorsed the choice of technology and it had been clearly explained to them that no further resources could be requested from the Multilateral Fund for funding any future replacement for the transitional HCFC technology that had been selected.

(b) Projects for individual consideration

Fumigant sector

Dominican Republic: Phase-out of methyl bromide in melon, flowers and tobacco (UNIDO) (UNEP/OzL.Pro/ExCom/38/30 and Add.1)

69. The Chair drew the attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/38/30 and Add.1. He pointed out that the Secretariat and UNIDO have agreed on the total project cost at \$922,900 for the complete phase-out of 141 ODP tonnes of methyl bromide used as a soil fumigant. Of this amount, \$369,160 would be required for the phase-out of 60.6 ODP tonnes representing the amount of methyl bromide needed to achieve the 20 per cent reduction in the methyl bromide baseline consumption by 2005. He indicated that the Sub-Committee might wish to consider whether to approve for funding the total consumption of methyl bromide used as a soil fumigant.

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

- (a) Note that Dominican Republic's baseline consumption of methyl bromide is 104 ODP tonnes, its latest methyl bromide consumption reported for 2001 to the Ozone Secretariat is 141 ODP tonnes and, therefore, Dominican Republic might not be in compliance with the 2002 freeze target;
- (b) Agree that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of \$922,900 plus agency support costs is approved in the accordance with the agreement between the Government of Dominican Republic and the Executive Committee, contained in Annex V to the present report.

Ecuador: Technology change for the phase-out of methyl bromide in the rose plant nursery sector (World Bank) (UNEP/OzL.Pro/ExCom/38/31 and Add.1)

71. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/31 and Add.1. He noted that the total project cost had been agreed at \$597,945 for the phase-out of 37.2 ODP tonnes of methyl bromide used as a soil fumigant, representing about 56 per cent of the methyl bromide baseline consumption in Ecuador.

72. The Sub-Committee recommended that the Executive Committee approve \$597,945 plus agency support cost for Ecuador, on the understanding that:

- (a) Ecuador has a baseline consumption of 66.2 ODP tonnes;

- (b) Ecuador will maintain compliance with the methyl bromide freeze during 2003 and 2004;
- (c) A 56 per cent reduction in the methyl bromide baseline consumption will be achieved through implementation of the project, bringing the national level of consumption of controlled uses of methyl bromide to a maximum level of 29 ODP tonnes by January 2005;
- (d) The Government of Ecuador commits to permanently sustain this reduction at the maximum level of consumption of controlled uses of methyl bromide (29 ODP tonnes) through implementation of the project and the use of import restrictions and other policies that it might deem necessary; and
- (e) The World Bank will report to the Executive Committee annually on progress in this project and in full in 2006 once the project had been completed and the phase-out under the project had been achieved.

Egypt: National phase-out of methyl bromide in horticulture and commodities fumigation (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/38/32 and Add.1)

73. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/32 and Add.1. He noted that the Secretariat and UNIDO had agreed on the total project cost at \$5,602,000 for the complete phase-out of 337.7 ODP tonnes of methyl bromide used as a soil fumigant. Of this amount, \$592,000 (equivalent to a phase-out of 40 ODP tonnes of methyl bromide) would be provided by the Government of Egypt. He indicated that a total of \$2,750,592 would be required for the phase-out of 185.6 ODP tonnes representing the amount of methyl bromide needed to achieve the 20 per cent reduction in the methyl bromide baseline consumption by 2005. He noted that the Government of Egypt was committed to: permanently sustain the reduction in the consumption of methyl bromide through the implementation of the project proposal and achieve the 20 per cent reduction in the baseline consumption by 2005; completely phase-out methyl bromide consumption by 2009 provided that the total project cost (\$5,010,000) was approved; and sustain this phase-out of methyl bromide through import restrictions and controlled use of methyl bromide for all non-exempt methyl bromide uses.

74. The Sub-Committee recommended that the Executive Committee approve the project component at a level of funding of \$2,750,592, plus agency support costs for Egypt, on the understanding that Egypt will:

- (a) Meet the methyl bromide freeze consumption during 2003 and 2004;
- (b) Permanently sustain the reduction in the consumption of methyl bromide through the implementation of this project component, bringing the total aggregate national consumption in controlled uses of methyl bromide to 190.4 ODP tonnes. This will enable Egypt to achieve the 20 per cent reduction in the baseline consumption by 2005;

(c) Completely phase-out methyl bromide consumption by 2009, bringing the national aggregate consumption of controlled uses of methyl bromide down to zero, provided that a second portion of the project (agreed funding of \$2,259,408) is approved; and

(d) Sustain this phase-out of methyl bromide agreed above through import restrictions and controlled use of methyl bromide for all non-exempt methyl bromide uses.

Guatemala: National phase-out of methyl bromide (UNIDO)
(UNEP/OzL.Pro/ExCom/38/33 and Add.1)

75. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/33 and Add.1. The Secretariat and UNIDO had agreed on the total project cost at \$6,961,766 plus agency support costs, for the phase-out of 579.4 ODP tonnes of methyl bromide which were eligible for funding, used as a soil fumigant (an additional 209.2 ODP tonnes were used in farms owned by non-Article 5 companies). Of that amount, \$440,000 (equivalent to a phase-out of 50 ODP tonnes of methyl bromide) would be provided by the Government of Guatemala. Therefore, the total amount to be funded from the Multilateral Fund was \$6,521,766. Guatemala's baseline consumption of methyl bromide was 400.7 ODP tonnes; based on the latest methyl bromide consumption reported to the Ozone Secretariat (788.6 ODP tonnes in 2001), it would appear that Guatemala might not be in compliance with the 2002 freeze target. The implementation schedule proposed in the project was planned to achieve a total reduction in consumption of 468 ODP tonnes in 2005 (100 tonnes to be reduced by non-Article 5 companies). Of that amount, 388 ODP tonnes would be reduced in the calendar year of 2004 and additional 80 ODP tonnes in the calendar year 2005 in order to enable Guatemala to meet the methyl bromide freeze and 2005 reduction targets, respectively. Accordingly, the Government of Guatemala was requesting approval \$3,257,377 as the funding level to achieve a phase-out of 468 ODP tonnes.

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

- (a) Note that Guatemala's baseline consumption of methyl bromide is 400.7 ODP tonnes, its latest methyl bromide consumption reported for 2001 to the Ozone Secretariat is 788.6 ODP tonnes and, therefore, Guatemala might not be in compliance with the 2002 freeze target;
- (b) Agree that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of \$3,257,377 plus agency support costs is approved on the basis that:
 - (i) The implementation schedule proposed in the project is planned to achieve a total reduction in consumption of 468 ODP tonnes in 2005; of this amount 100 tonnes would be reduced by non-Article 5 companies. Furthermore, 388 ODP tonnes would be reduced in the calendar year of 2004 and additional 80 ODP tonnes in the calendar year 2005 in order to enable Guatemala to meet the methyl bromide freeze and 2005 reduction targets, respectively;

- (ii) Guatemala commits to permanently sustain the reduction in the consumption of methyl bromide through the implementation of the project and the use of import restrictions and other policies that it might deem necessary, bringing the total aggregate national consumption in controlled uses of methyl bromide to 320.6 ODP tonnes. This will enable them to achieve the 20 per cent reduction in the baseline consumption by 2005;
- (iii) Guatemala will completely phase-out methyl bromide consumption by 2008, bringing the national aggregate consumption of controlled uses of methyl bromide down to zero, provided that a second portion of the project (\$3,264,389) is approved; and
- (iv) Guatemala will sustain this phase-out of methyl bromide agreed above through import restrictions and controlled use of methyl bromide for all non-exempt methyl bromide uses.

Kenya: Technology transfer leading to methyl bromide phase-out in soil fumigation (cut flower component) (UNDP) (UNEP/OzL.Pro/ExCom/38/38 and Add.1)

77. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/38 and Add.1. He noted that the Secretariat, the Government of Germany and UNDP had agreed on the total project cost at \$1,595,811. Of this amount, \$510,660 was requested by UNDP to be approved at the 38th Meeting (first tranche). Implementation of the project would result in the complete phase-out of methyl bromide used as a soil fumigant (97 ODP tonnes) in Kenya. He indicated that the agreed conditions for the phase-out of methyl bromide in Kenya were attached to the present document.

78. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Kenya and the Executive Committee, contained in Annex VI to the present report.

Sectoral/National phase-out plans

China: 2003 Annual programme - CFC production sector (World Bank) (UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1./Corr.1 and Add..2)

79. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/27/1/Add.1/Rev.1. He noted that a satisfactory verification report on the implementation of the 2002 annual programme was to be provided by the World Bank. He also recalled that through its Decision 36/47, the Executive Committee had approved the 2002 work programme and the administrative fee for the World Bank at 7 per cent per year until the Executive Committee should decide otherwise.

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

- (a) Approve the 2003 work programme of the China CFC production closure programme and withhold the requested funding until World Bank had submitted to the 39th Meeting a satisfactory verification report on the implementation of the 2002 annual programme;
- (b) Consider the level of the administrative fee for the World Bank.

China: Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors (UNIDO) (UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2)

81. The Chair drew the attention of the Sub-Committee to paragraphs 71 to 82 of the document UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2. He pointed out that the Government of China had submitted a sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors. He said that the sector plan would be implemented jointly by the Government of Italy and UNIDO.

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

- (a) Approve in principle a total of \$7,360,530 in funding for the phased reduction of the remaining national aggregate CFC consumption through the implementation of the Sector Phase out Plan for CFCs in the Domestic Refrigeration (Manufacturing) Sector in China;
- (b) Approve the 38th Meeting, funding in the amount of \$1,788,991 plus support cost of \$161,009 to be offset against the bilateral contribution of Italy for 2002, and \$3,400,000 plus support cost of \$299,200 for UNIDO, subject to the following conditions;
 - (i) The Government of China commits to completely phase-out 1,099 ODP tonnes of CFC consumption in the refrigeration (manufacturing) sector and permanently sustain the reduction of 1,099 ODP tonnes from its national aggregate consumption of 3,508.7 ODP tonnes according to the following phase-out schedule;

Year	2004	2005	2006	Total
Annual CFC phase-out target (ODP tonnes) from Italian Bilateral Portion	0	181	0	181
Annual CFC phase-out target (ODP tonnes) from UNIDO Portion	140	169	609	981
Total	140	350	609	1,099

- (ii) The Executive Committee will endeavour to provide the second tranche of \$2,171,539 plus agency support cost of \$192,239 at the last meeting of the Executive Committee in 2003;
- (iii) The Government of China agrees that no additional Multilateral Fund resources would be requested for activities in the Domestic Refrigeration (Manufacturing) Sector. The Executive Committee agreed to provide

China with flexibility in using the agreed funds consistent with operational procedures as agreed between China and UNIDO in the Domestic Refrigeration (Manufacturing) Sector Phase-out Plan;

- (iv) The Government of China agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year;
- (v) As the implementing agency, UNIDO will be responsible to:
 - Provide in 2003 the work programme for 2004, 2005 and 2006;
 - Report annually on the implementation of all activities funded under the sector plan;
 - Provide verification to the Executive Committee annually that CFC consumption phase-out in the Domestic Refrigeration (Manufacturing) Sector had been completed based on the schedules listed in the table above.

India: Plan for phase-out of CFCs in the refrigeration (manufacturing) sector (UNDP and UNIDO) (UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2)

83. The Chair drew the attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2. He pointed out that the Government of India had identified a total of 240 remaining enterprises manufacturing refrigeration equipment in the country. Out of those, 199 enterprises had been established prior to 25 July 1995. He mentioned that the proposed project would cover the conversion to non-CFC technology for all eligible enterprises. He said that an agreement was reached to determine the level of incremental costs of the sector plan on the basis of an average cost-effectiveness of recently approved sector and national phase-out plans (\$6.79/kg ODP) to be applied to the consumption to be phased out in the refrigeration manufacturing sector in India (535 ODP tonnes). On that basis, the total level of grant would be \$3,632,650, including \$260,000 as a policy and management support component. He also said that a total of 535 ODP tonnes would be deducted from the total remaining eligible consumption of 1,530.40 ODP tonnes. The maximum level of remaining fundable consumption would be 995.40 ODP tonnes.

84. Following a discussion, the Sub-Committee:

- (a) Noted the essential need for the implementing agencies to work together, wherever possible, and select lead agencies to consolidate activities included in individual phase-out plans;
- (b) Recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of India and the Executive Committee, contained in Annex VII to the present report.

Indonesia: National plan for phasing out the use of CFC in mobile air-conditioning sector through a combination of policies, technical assistance programmes and CFC recovery and recycling (World Bank) (UNEP/OzL.Pro/ExCom/38/36 and Add.1)

Indonesia: Phase-out Management Plan for CFCs in the refrigeration (servicing) sector (UNDP) (UNEP/OzL.Pro/ExCom/38/36 and Add.1)

85. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/36 and Add.1. He indicated that the Government of Indonesia had submitted two separate national phase-out plans in the servicing sector, one covering the domestic, commercial and industrial refrigeration sub-sectors (UNDP) and the other covering the MAC sub-sector (World Bank). He said that the Government of Indonesia had provided an official communication to the Secretariat providing information on the National CFC Phase-out Strategy, furnishing the recent CFC consumption data by sector and sub-sector, annual CFC phase-out targets and the necessary actions in each sector to achieve the proposed targets. He indicated that the Strategy could serve as a framework for monitoring and reporting CFC consumption in relation to the three sector plans and coordinating the implementation of them. A combined agreement between the Executive Committee and the Government of Indonesia had been drafted to cover the performance in terms of CFC phase-out and the disbursement of funds for the two new sub-sector plans in refrigeration and the already approved refrigeration manufacturing sector plan. That would avoid the difficulty in attempting to verify annual CFC phase-out in each of these separate sector plans involving CFC use. He also indicated that subsequent to the preparation of the Fund Secretariat's evaluation sheet, final adjustments had been made to the distribution of funding and phase-out in annual tranches. He said that a consolidated first implementation plan had been finalized for the year 2003 and a draft agreement had been developed encompassing all the sub-sectors, including refrigeration manufacturing approved at the 37th Meeting, and consolidating them into a draft refrigeration sector phase-out plan for Indonesia. He pointed out that the consolidation included re-phasing of annual tranches in 2003 and 2004 for the refrigeration manufacturing sub-sector to reflect the change in the annual project cycle from the second to the third meeting of each year.

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

- (a) Approve the above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of Indonesia and the Executive Committee, contained in Annex VIII to the present report;
- (b) Note that bilateral partners might wish to consider developing future proposals to assist Indonesia to address any remaining eligible CFC consumption.

Nigeria: Terminal phase-out in the aerosol sector (UNIDO) (UNEP/OzL.Pro/ExCom/38/45 and Add.1)

Nigeria Foam sector ODS phase-out plan (UNDP) (UNEP/OzL.Pro/ExCom/38/45 and Add.1)

Nigeria: Terminal ODS Phase-out Management Plan for the R&AC service sector (UNDP) (UNEP/OzL.Pro/ExCom/38/45 and Add.1)

Nigeria: Terminal phase-out plan in the refrigeration-manufacturing sector (UNIDO)
(UNEP/OzL.Pro/ExCom/38/45 and Add.1)

87. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/27/1/Add.1/Rev.1. He noted that the Government of Nigeria had submitted three separate national phase-out plans in the foam (UNDP), refrigeration manufacturing (UNIDO) and refrigeration servicing (UNDP) sectors, to phase-out a total consumption of 2,439.4 ODP tonnes of CFCs. He pointed out that the Secretariat reviewed the three national phase-out plans on their own merits. On the basis of the review, the Secretariat concluded that it would be more cost-effective and sustainable to consider the three phase-out plans as one national CFC phase-out plan for Nigeria, with the corresponding rationalization of resources. That approach was first discussed with UNDP (as the implementing agency with the largest phase-out programme) and, subsequently, with the Government of Nigeria. The Government of Nigeria agreed with the approach proposed by the Secretariat. The national CFC phase-out plan could serve as a framework for monitoring and reporting CFC consumption in relation to the three sector plans and coordinating their implementation. He mentioned that subsequent to the preparation of the Secretariat's evaluation sheet, final adjustments were made to the level and distribution of funding and of phase-out in annual tranches. He said that support costs were agreed with the implementing agencies, the first implementation plans were finalized for the year 2003, and a draft agreement was developed encompassing all the sectors and consolidating them into a draft national CFC phase-out plan for Nigeria.

88. The Chief Officer explained that the Secretariat had made calculations on the basis of a cost-effectiveness of \$5.7/kg which would reduce the funding for the project by \$29,600.

89. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, which included the reduction of \$29,600 to take account of the Japanese bilateral activity, in accordance with the agreement between the Government of Nigeria and the Executive Committee, contained in Annex IX to the present report.

Philippines: National CFC phase-out plan (World Bank and Sweden)
(UNEP/OzL.Pro/ExCom/38/47 and Add.1)

90. The Chair drew the attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/38/47 and Add.1. He indicated that the World Bank submitted a national CFC phase-out plan. The objective of the plan was to assist the Government of the Philippines to phase-out 2,049.3 ODP tonnes of CFC consumption in accordance with the phase-out schedule stipulated in the Montreal Protocol. He said that the plan would use investment projects and non-investment activities as well as a combination of policy and regulatory support measures to manage the supply and demand of CFCs. He pointed out that the Secretariat discussed in detail with the World Bank eligibility issues related to the foam sector component of the phase-out plan and complete the review process. The eligibility of the group of enterprises manufacturing rigid foam had been established. He indicated that the final agreed cost of the phase-out plan was agreed at \$10,575,410, plus total support costs of \$896,787.

91. The Secretariat provided additional information and made a technical correction to table 1 of document UNEP/OzL.Pro/ExCom/38/47.

92. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the agreement between the Government of the Philippines and the Executive Committee, contained in Annex II to the present report.

Syria: Sector phase-out plan for CFCs in the refrigeration (manufacturing) sector (UNDP) (UNEP/OzL.Pro/ExCom/38/49 and Add.1)

93. The Chair drew the attention of the Sub-Committee to the document UNEP/OzL.Pro/ExCom/38/49 and Add.1. He pointed out that the Government of the Syrian Arab Republic submitted a sector phase-out plan for CFCs in the refrigeration manufacturing sector covering 69 enterprises engaged in manufacturing of refrigeration equipment. He said that the Secretariat undertook additional discussions with UNDP issues related to the validation of reported consumption and cost issues. He mentioned that the incremental costs of the sector plan was agreed at a level of \$2,225,300 to be paid in one installment.

94. Following the discussion the Sub-Committee recommended that the Executive Committee approve the Sector Phase-out Plan for CFCs in the Refrigeration (Manufacturing) Sector in the Syrian Arab Republic at a cost of \$1,665,188, plus support costs of \$191,422 to UNDP and \$353,100 plus support cost of \$40,590 to UNIDO, with the following understandings:

- (a) The Government of the Syrian Arab Republic commits to phase-out 312 ODP tonnes through implementation of the Sector Phase-out Plan for CFCs in the Refrigeration (Manufacturing) Sector in the Syrian Arab Republic according to the following phase-out schedule:

Year	2003	2004	2005	2006	Total
Annual CFC phase-out target (ODP tonnes) from the sector plan	0	100	100	112	312

- (b) Under this agreement the total remaining eligible CFC consumption in the Syrian Arab Republic would be reduced from the current level of 465.1 ODP tonnes by 312 ODP tonnes, leaving 153.1 ODP tones as the maximum remaining CFC consumption eligible for funding;
- (c) The Government of the Syrian Arab Republic agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities in the Refrigeration (Manufacturing) Sector. The Executive Committee agrees to provide Syria with flexibility in using the agreed funds consistent with operational procedures as agreed between the Syrian Arab Republic and the agencies (UNDP and UNIDO) in the Refrigeration (Manufacturing) Sector Phase-out Plan;
- (d) The Government of the Syrian Arab Republic agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year;

- (e) The lead implementing agency, UNDP will be responsible for:
 - (i) Reporting annually on the implementation of all activities funded under the sector plan;
 - (ii) Providing verification to the Executive Committee annually that CFC consumption phase-out in the Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in the table above.

Turkey: 2003 annual programme for the refrigeration sector plan (World Bank) (UNEP/OzL.Pro/ExCom/38/51)

95. The Chair drew the attention of the Sub-Committee to Annex I of document UNEP/OzL.Pro/ExCom/SCPR/27/1/Add.1/Rev.1. He noted that all cost and eligibility issues had been resolved for the project.

96. Following the discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report.

Aerosol: MDIs

Cuba: Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) (UNDP) (UNEP/OzL.Pro/ExCom/38/29)

97. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/29. He pointed out that the Government of Cuba had submitted a transition strategy for the elimination of CFC-based metered dose inhalers (MDIs) together with an investment project proposal for the phase-out of almost 110 ODP tonnes of CFC-11 and CFC-12, the total amount used for the purpose in Cuba. He indicated that it was the first MDI project to be reviewed by the Secretariat, and that a summary of the key features of the transitional strategy and the investment project proposals were included in the project evaluation sheet.

98. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Take note of the Government of Cuba's transitional strategy to non-CFC MDIs and the associated investment project for the phase-out of CFCs used in the manufacture of MDIs at Laboratorio Farmaceutico Julio Trigo Lopez;
 - (b) Note that the capital cost of the project, as revised, amounts to \$1,488,000 (including \$430,000 for trials, pilot scale production, clinical trials, product stability, technical supervision, inspections and certification of completion);
 - (c) Request UNDP to continue assisting the Government of Cuba in finalization of the transitional strategy and the identification of a potential provider of the HFC-134a MDI technology and re-submit the transitional strategy and the

investment project once a provider has been identified and selected by the Government of Cuba to the 39th Meeting of the Executive Committee;

- (d) Maintain the transitional strategy to non-CFC MDIs and the investment project for the phase-out of CFCs in MDIs in Cuba in the 2002 UNDP business plan;
- (e) Note the importance of the project for Cuba and commend the efforts of Cuba, the Secretariat, and UNDP directed to achieving the transfer of the required technology;
- (f) Request that those efforts be maintained with a view to having the resubmission, referred to in subparagraph (c) above, take place at the 39th Meeting of the Executive Committee.

Halons

Turkey: Halon management program, halon recovery, recycling and banking (World Bank) (UNEP/OzL.Pro/ExCom/38/51)

99. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 12 of the document UNEP/OzL.Pro/ExCom/38/51. He pointed out that a confirmation from Turkey that it would ban the import of halon six months after the installation of the halon banking equipment as required by the guidelines (Decision 18/22), had not been provided by the Government as there might be an un-anticipated need for halons, for example due to national security reasons, amounting to quantities larger than would be available through reclamation. He indicated that the World Bank had proposed that Turkey should receive funding for the halon banking project with the following condition: "If Turkey is unable to find sufficient quantities of recovered and reclaimed halons locally or find international suppliers of recycled halons to cover critical uses in Turkey, Turkey reserve the right to import newly produced halons for critical uses until 2009. Before importing any newly produced halons, a review of the halons uses deemed essential and quantities needed would be carried out by Turkey and reviewed and endorsed by independent experts (OORG) before any import. The Executive Committee would be informed about the review and the quantities needed before any import would take place. After 2009, Turkey understands that it would have to follow the procedures laid down by the Parties to the Montreal Protocol."

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

- (a) Approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that, consistent with this decision, from the end of 2004 onwards, if the Government of Turkey was unable to find sufficient quantities of recycled or reclaimed halons domestically or internationally in the post-2004 time-frame, it would submit any requests for essential uses for halon to the Technology and Economic Assessment Panel for review, consistent with decision 10/12 of the Meeting of the Parties;
- (b) Note that the Technology and Economic Assessment Panel had agreed to

undertake the review and the Government of Turkey had agreed to be bound by the findings of the Panel.

Process agent

India: Conversion of carbon tetrachloride (CTC) as process agent to water at Kedia Organic Chemicals, Vapi. (UNIDO) (UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2)

101. The Chair drew the attention of the Sub-Committee to paragraphs 26 to 45 of the document UNEP/OzL.Pro/ExCom/38/35 and 38/35, Add.1 and Add.2. He pointed out that the Secretariat had established that, for the new process as designed and the equipment items specified, the capital cost structure was modest. He indicated that an agreement had been reached that the enterprise would contribute to the project a total of \$89,028 in counterpart funding for environmental measures and technological upgrade. The final incremental cost to the Fund had been agreed between the Secretariat and UNIDO as \$1,140,843, plus agency support costs with a resulting cost-effectiveness of \$6.10/kg.

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

- (a) Not approve the project until it had received confirmation from the Government of India that it was the last project in the chlorinated paraffin subsector;
- (b) Retain the projects in the UNIDO 2002 business plan.

Iran: Refrigerant management plan to phase-out the use of ODS in the refrigeration-servicing sector (includes: training in good refrigerant management practices, training of customs officers, and recovery and recycling programme) (UNIDO) (UNEP/OzL.Pro/ExCom/38/37 and Add.1)

Iran: Phasing out CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic refrigeration equipment at the First Medium Size Umbrella Group of Iranian Domestic Refrigeration Manufacturers (UNIDO) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Phasing out CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at the First Medium Size Umbrella Group of Iranian Commercial Refrigeration Manufacturers (UNIDO) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Phasing out CFC-11 by conversion to HCFC-141b and CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at the Second Medium Size Umbrella Group of Iranian Domestic and Commercial Refrigeration Manufacturers (UNIDO) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic refrigerators at Niksun Sanaat Co. (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: (Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Ali Felez Co. (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial and industrial refrigeration equipment at Nik Boroudati & Hararati Co. (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment and rigid foam at Ouj Bouran Co. (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at two enterprises (Sanaye Boroudati Pajang and Yakhchalsazi Azizian) (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Nik Sard Co. (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

Iran: Sector phase-out plan for CFCs in the refrigeration (manufacturing) sector (UNDP) (UNEP/OzL.Pro/ExCom/38/37)

103. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/37 and Add.1.

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

- (a) Not approve these individual projects;
- (b) Request the Government of the Islamic Republic of Iran to prepare a national CFC phase-out plan, clearly identifying and explaining consumption in each sector and subsector and any differences in this and consumption previously reported, and incorporating the Governments commitment to phase-out all remaining CFC consumption;
- (c) Retain the funding in the 2002 business plans of UNDP and UNIDO.

Solvent

India: Conversion of carbon tetrachloride (CTC) as cleaning solvent to trichloroethylene at Navdeep Engineering, Palghar (UNIDO) (UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2)

105. The Chair drew the attention of the Sub-Committee to paragraphs 93 to 103 of document UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2. He pointed out that the project was referred for individual consideration on account of the small contribution to the overall CTC phase-out requirement in the solvent sector in India, the absence of information on an overall plan or strategy for the sector; and its cost-effectiveness (\$12.28/kg).

106. Following the 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, on the understanding that no further projects would be approved in the absence of a sector or national phase-out plan.

Korea, DPR: Conversion of cleaning processes from CTC (formerly methyl chloroform) to perchloroethylene cleaning at the Plating Workshop (PLT) of the refrigeration factory of the 5 October Automation Complex, Pyongchon District, Pyongyang City (UNIDO) (UNEP/OzL.Pro/ExCom/38/39 and Corr.1)

Korea, DPR: Conversion of methyl chloroform and CTC to non-ODS solvent cleaning in the plating workshop of the Taedong-gang Television Factory (PTV), Taedong-gang District, Pyongyang City (UNIDO) (UNEP/OzL.Pro/ExCom/38/39 and Corr.1)

107. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/39 and Corr.1. He pointed out that the eligibility of the projects was in doubt in view of the conversion of each enterprise from the use of TCA to the use of CTC in the period 2000-2001.

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

- (a) Approve the above project proposals at the level of funding indicated in Annex I;
- (b) Decide that similar projects, involving ozone-depleting substances of differing levels of ODP, would in future be costed on the basis of the lower cost to the Multilateral Fund.

Sector plan: Foam

China: Sector plan for phase-out of CFC-11 in the China foam sector (2003 Annual Implementation Programme) (World Bank) (UNEP/OzL.Pro/ExCom/38/27, Add.1, Add./Corr.1 and Add.2)

109. The Chair drew the attention of the Sub-Committee to paragraphs 19 to 22 of document UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2. He noted that the outstanding issue was one of data reporting. Under paragraph 6 of the Agreement for the foam sector plan, China was obliged to report its consumption to the Ozone Secretariat annually as required under Article 7 of the Protocol. He indicated that although China had recently reported data to the Fund Secretariat about progress with implementation of its country programme, and in the course of the meeting had also reported its 2001 consumption under Article 7.

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

- (a) Approve the above project proposals at the level of funding indicated in Annex I;
- (b) China be requested to report its Article 7 data, as much as possible, on time (i.e. by 30 September of each reporting year) and endeavour also to report its consumption broken down by substance to the Fund Secretariat to enable verification of CFC-11 consumption both at the national and sectoral level as required under the Agreement.

Sector plan: Halon

China: 2003 Annual programme - Halon sector (World Bank)
(UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2)

111. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2. He pointed out that the outstanding issue to be considered was related to the agency fee for the World Bank.

112. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the annual programme at the level of funding indicated in Annex I to the present report, subject to the consideration by the Executive Committee of the level of agency support costs to be approved.

Sector plan: Process agent

China: Sector plan for phase-out of ODS in the process agent sector (World Bank)
(UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2)

113. The Chair drew the attention of the Sub-Committee to paragraphs 40 to 64 of document UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2. He pointed out that the Secretariat proposed a methodology by which the eligible incremental cost for phase-out of process agent consumption would be based on the cost-effectiveness established in approved projects in the process agent sector. China was unable to accept this methodology, citing the high cost for technology transfer for the manufacture of CP-70 and chlorinated rubber that needed to be provided to each of the operating enterprises.

114. Following a discussion, the Sub-Committee noted that the outstanding issues had not yet been resolved and that discussion between interested parties might continue on the margins of the current meeting of the Executive Committee.

India: Sector plan for phasing out of CTC consumption in the chlorinated rubber sub-sector (World Bank) (UNEP/OzL.Pro/ExCom/38/35, Add. 1 and Add.2)

115. The Chair drew the attention of the Sub-Committee to paragraphs 13 to 24 of document UNEP/OzL.Pro/ExCom/38/35, Add.1 and Add.2. He pointed out that the World Bank had submitted to the 37th Meeting a proposed sub-sector plan for completion of the phase-out of CTC used as a process agent in the manufacture of chlorinated rubber in India. The objective of the sub-sector plan was to completely phase-out the remaining CTC consumption of about 382 ODP tonnes, and avoid 2,878 ODP tonnes of projected CTC consumption. He recalled that a description of the project proposal together with the full project document and the Secretariat's comments on it had been circulated to the Executive Committee at its 37th Meeting in document 37/39. He mentioned that the Secretariat had concluded that it could recommend approval of funding on the basis of the cost-effectiveness of the chlorinated rubber project for Rishiroop Organics Limited that had been approved at the 34th Meeting, after adjustment for technology transfer costs, which had already been paid via the ROL project. The adjusted cost-effectiveness was \$7.38 per kg. He indicated that the World Bank considered that the methodology proposed did not capture eligible costs related to plant closure and reflected only a fraction of the total incremental costs to be incurred by the industry in India. In addition, it did not reflect the required production capacity for meeting the future demand for CTC-free chlorinated rubber. The World Bank wished to explore the issue further with the Secretariat in order to ensure that the funding level under the sector plan would allow Indian industry to balance its production capacity with future demand.

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

- (a) Note that a number of issues remained outstanding and that the proposal was not yet ready for consideration by the Executive Committee;
- (b) Decide that the project would remain in the World Bank's 2002 business plan;
- (c) In undertaking the future review of the projects, apply the decision on funding of technology that is not in the public domain to be taken at its 38th Meeting (decision 38/...).

Sector plan: Solvent

2002 annual progress report on the implementation of solvent sector plan for ODS phase-out in China and 2003 annual implementation programme (UNDP) (UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2)

117. The Chair drew the attention of the Sub-Committee to pages 26 to 31 in the English text of document UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2. He pointed out that the proposal included a report on outstanding information about the consumption of carbon tetrachloride that was required to enable the release of the funds for the 2002 programme. He said that the final enterprise-level information on CTC consumption was provided to the Secretariat on 30 October 2002 and that the release of the 2002 funding could now proceed. He

also indicated that the project proposal also included a report on activities in 2002 and a request for approval of the programme for 2003. Funding for the 2003 programme was not sought now, but, consistent with previous practice, would be requested at the 39th Meeting in March 2003. In its comments the Secretariat raised a number of issues about the report on progress and suggested that if they could not be resolved, it might be appropriate to defer consideration until the 39th Meeting, together with the request for funding. He mentioned that responses from the Government of China and UNDP had been received in the Secretariat on Sunday, 10 November and Thursday, 15 November 2002, but had not yet been reviewed by the Secretariat.

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

- (a) Approve the release by UNDP of the funding for implementation of the 2002 annual implementation programme of the solvent sector plan;
- (b) Consider the report on progress and the 2003 annual implementation programme at its 39th Meeting.

AGENDA ITEM 10: POLICY PAPER

(a) Funding of technology that is not in the public domain: follow-up to Decision 37/62

119. The Chair gave the floor to the Secretariat to introduce the item. The representative of the Secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/38/54 and Add.1. 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.

120. Pursuant to Decision 37/62, the Secretariat retained E. Richard Gold and David Lametti Professors, McGill Faculty of Law, the authors of the report to the 37th Meeting, to draft guidelines for the financing of projects containing technology that is not in the public domain. The draft guidelines were circulated to the implementing agencies. No revisions were necessary. The recurring theme was that the protection of intellectual property fell under the ambit of national jurisdiction. Formal comments from WIPO had been received only on 13 November 2002.

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

- (a) Take note of the communication received from WIPO, pursuant to decision 37/62;
- (b) Approve the guidelines for the financing of projects using technology that is not in the public domain, as contained in Annex X to the present report.

AGENDA ITEM 11: OTHER MATTERS

122. No other matters were raised for discussion.

AGENDA ITEM 12: ADOPTION OF THE REPORT

123. The Sub-Committee adopted its report on Tuesday, 19 November 2002, on the basis of its draft report.

AGENDA ITEM 13: CLOSURE OF THE MEETING

124. After the customary exchange of courtesies, the Chair declared the meeting closed at 6.30 p.m. on Tuesday, 19 November 2002.

List of projects and activities recommended for funding

UNEP/OzL.Pro/ExCom/38/14
Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E.
			Project	Support	Total (US\$/kg)
ALBANIA					
SEVERAL					
Institutional strengthening					
Institutional strengthening and capacity building. <i>Approved for an additional one year on the understanding that the decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues</i>	UNEP		\$54,600	\$0	\$54,600
Total for Albania:			\$54,600		\$54,600
ANGOLA					
SEVERAL					
Institutional strengthening					
Institutional strengthening project	Germany		\$71,682	\$9,318	\$81,000
Total for Angola:			\$71,682	\$9,318	\$81,000
ANTIGUA AND BARBUDA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project	UNEP		\$31,200	\$0	\$31,200
Total for Antigua and Barbuda:			\$31,200		\$31,200
ARGENTINA					
AEROSOL					
Contract filler					
Conversion from CFC-11, CFC-12, CFC-113 and MCF into HCFC for technical aerosols at Servex S.R.L.	IBRD	36.4	\$160,160	\$20,821	\$180,981 4.40
FOAM					
Multiple-subsectors					
Terminal umbrella project for phaseout of the use of CFC-11 in the manufacture of polyurethane foam <i>Approved on the understanding that the Executive Committee takes note that the project has been approved as a terminal umbrella project rather than an ODS phase-out sector plan with multi-year funding agreement; that the Executive Committee grants the Government of Argentina flexibility in the use of the approved funds for the phase-out of the remaining CFCs in the foam sector; and that the Executive Committee takes note of the undertaking made by the Government of Argentina not to seek further assistance for any activity in the foam sector upon approval of this project</i>	UNDP	192.3	\$1,324,843	\$155,733	\$1,480,576 6.89
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNDP	25.7	\$311,610	\$40,509	\$352,119
Total for Argentina:		254.4	\$1,796,613	\$217,063	\$2,013,676
BRAZIL					
FUMIGANT					
Preparation of project proposal					
Assistance for the preparation of a survey on the consumption of methyl bromide	UNIDO		\$40,000	\$5,200	\$45,200
Total for Brazil:			\$40,000	\$5,200	\$45,200

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
BURKINA FASO					
SEVERAL					
Institutional strengthening					
Renewal of Institutional strengthening- phase 5	UNEP		\$72,410	\$0	\$72,410
Total for Burkina Faso			\$72,410		\$72,410
CAMEROON					
REFRIGERATION					
Refrigerant management plan					
Refrigerant management plan to phase out the use of ODS in the refrigeration servicing sector (includes: training in good refrigerant management practices, training of customs officers, and recovery and recycling programme) <i>Approved on the understanding that the recovery and recycling component will not commence until the legislation controlling CFCs import will be in place and the local market prices of CFCs and non-ODS refrigerants are similar</i>	UNIDO	112.6	\$522,982	\$67,528	\$590,510 4.64
Total for Cameroon		112.6	\$522,982	\$67,528	\$590,510
CENTRAL AFRICAN REPUBLIC					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNEP		\$39,520	\$0	\$39,520
Total for Central African Republic			\$39,520		\$39,520
CHAD					
REFRIGERATION					
Refrigerant management plan					
Incentive programme for commercial/industrial end-user sector <i>Approved taking into consideration that the RMP update has been prepared according to Decisions 31/48 and 32/28</i>	UNDP	6.0	\$184,416	\$23,974	\$208,390
Total for Chad		6.0	\$184,416	\$23,974	\$208,390
CHILE					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	IBRD	15.4	\$186,550	\$46,800	\$233,350
Total for Chile		15.4	\$186,550	\$46,800	\$233,350
CHINA					
FOAM					
Multiple-subsectors					
Sector plan for phase-out of CFC-11 in the China foam sector: 2003 annual programme <i>China be requested to report its Article 7 data, as much as possible, on time (i.e. by 30 September of each reporting year) and endeavour also to report its consumption broken down by substance to the Fund Secretariat to enable verification of CFC-11 consumption both at the national and sectoral level as required under the Agreement</i>	IBRD	2,500.0	\$12,570,000	\$1,115,300	\$13,685,300 5.03

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
HALON					
Banking					
Halon sector phase out plan: 2003 Annual programme <i>Approved subject to the level of agency support costs to be approved by the Executive Committee. Note: 1,992 ODP tonnes will be reduced in the halon production sector</i>	IBRD	2,292.0	\$5,900,000	\$0	\$5,900,000 2.57
PRODUCTION					
Preparation of project proposal					
Project preparation funds for CTC and TCA production closure plan	IBRD		\$150,000	\$19,500	\$169,500
REFRIGERATION					
Domestic					
Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors <i>The Government of China commits to completely phase-out 1,099 ODP tonnes of CFC consumption in the refrigeration (manufacturing) sector and permanently sustain the reduction of 1,099 ODP tonnes from its national aggregate consumption of 3,508.7 ODP tonnes by 2006; the Government of China agrees that no additional Multilateral Fund resources would be requested for activities in the domestic refrigeration (manufacturing) sector; the Executive Committee agreed to provide China with flexibility in using the agreed funds consistent with operational procedures as agreed between China and UNIDO in the Domestic Refrigeration (Manufacturing) Sector Phase-out Plan; and the Government of China agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year; as the implementing agency, UNIDO will be responsible to: provide in 2003 the work programme for 2004, 2005 and 2006; report annually on the implementation of all activities funded under the sector plan; provide verification to the Executive Committee annually that CFC consumption phase-out in the domestic refrigeration (manufacturing) sector had been completed based on the phase out schedule</i>	UNIDO	600.0	\$3,400,000	\$299,200	\$3,699,200 5.67
Sector plan ODS final phase-out: domestic refrigeration and domestic refrigeration compressors <i>The Government of China commits to completely phase-out 1,099 ODP tonnes of CFC consumption in the refrigeration (manufacturing) sector and permanently sustain the reduction of 1,099 ODP tonnes from its national aggregate consumption of 3,508.7 ODP tonnes by 2006; the Government of China agrees that no additional Multilateral Fund resources would be requested for activities in the domestic refrigeration (manufacturing) sector; and the Government of China agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year</i>	Italy	181.0	\$1,788,991	\$161,009	\$1,950,000 9.88
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening (Phase V)	UNDP	32.2	\$390,000	\$50,700	\$440,700
Total for China:		5,605.2	\$24,198,991	\$1,645,709	\$25,844,700

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
COLOMBIA					
FOAM					
Multiple-subsectors					
Terminal umbrella project for phaseout of the use of CFC-11 in the manufacture of polyurethane foam	UNDP	123.2	\$840,170	\$102,419	\$942,589 6.82
<i>Approved on the understanding that the Executive Committee grants the Government of Colombia flexibility in the use of the approved funds for the phase-out of the remaining CFCs in the foam sector; that the Executive Committee takes note of the undertaking made by the Government of Colombia not to seek further assistance for any activity in the foam sector upon approval of the project; and that the Executive Committee takes note that the project has been approved as a terminal umbrella project rather than an ODS phase-out sector plan with multi-year funding agreement</i>					
REFRIGERATION					
Commercial					
Umbrella project designed to phase out of the refrigerant CFC-12 by conversion to HFC-134a and replacement of the blowing agent CFC-11 by HCFC-141b in the manufacture of commercial refrigeration systems in 17 Colombian enterprises	IBRD	15.4	\$211,636	\$27,513	\$239,149 13.70
SEVERAL					
Institutional strengthening					
Renewal of the institutional strengthening under the Montreal Protocol (Phase IV)	UNDP	22.8	\$275,600	\$35,828	\$311,428
Total for Colombia:		161.4	\$1,327,406	\$165,759	\$1,493,165
DOMINICAN REPUBLIC					
FUMIGANT					
Methyl bromide					
Phase-out of methyl bromide in melon, flowers and tobacco	UNIDO	141.0	\$922,900	\$111,519	\$1,034,419 7.91
<i>The Executive Committee noted that Dominican Republic's baseline consumption of MB is 104 ODP tonnes, its latest MB consumption reported for 2001 to the Ozone Secretariat is 141 ODP tonnes and, therefore, Dominican Republic might not be in compliance with the 2002 freeze target; agreed that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of \$922,900 plus agency support costs is approved in the accordance with the agreement between the Government of Dominican Republic and the Executive Committee approved at the 38th Meeting</i>					
HALON					
Banking					
National halon bank management plan development	UNDP	3.0	\$40,000	\$5,200	\$45,200
Total for Dominican Republic:		144.0	\$962,900	\$116,719	\$1,079,619

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
ECUADOR					
FUMIGANT					
Methyl bromide					
Technology change for the phase-out of methyl bromide in the rose plant nursery sector	IBRD	37.2	\$597,945	\$75,774	\$673,719 16.07
<i>Approved on the understanding that:(a) Ecuador has a baseline consumption of 66.2 ODP tonnes; (b) Ecuador will maintain compliance with the MB freeze during 2003 and 2004; (c) a 56% reduction in the MB baseline consumption will be achieved through implementation of the project, bringing the national level of consumption of controlled uses of MB to a maximum level of 29 ODP tonnes by January 2005; (d) the Government of Ecuador commits to permanently sustain this reduction at the maximum level of consumption of controlled uses of MB (29 ODP tonnes) through implementation of the project and the use of import restrictions and other policies that it might deem necessary; and (e) the World Bank will report to the Executive Committee annually on progress in this project and in full in 2006 once the project had been completed and the phase-out under the project had been achieved</i>					
Total for Ecuado		37.2	\$597,945	\$75,774	\$673,719
EGYPT					
FUMIGANT					
Methyl bromide					
National phase-out of methyl bromide in horticulture and commodities fumigation	UNIDO	185.6	\$2,750,592	\$312,565	\$3,063,157 14.82
<i>Approved on the understanding that Egypt will: (a) meet the MB freeze consumption during 2003 and 2004; (b) permanently sustain the reduction in the consumption of MB through the implementation of this project component, bringing the total aggregate national consumption in controlled uses of MB to 190.4 ODP tonnes. This will enable Egypt to achieve the 20 % reduction in the baseline consumption by 2005; (c) completely phase-out MB consumption by 2009, bringing the national aggregate consumption of controlled uses of MB down to zero, provided that a second portion of the project (agreed funding of \$2,259,408) is approved; and (d) sustain this phase-out of MB agreed above through import restrictions and controlled use of MB for all non-exempt MB uses</i>					
Total for Egyp		185.6	\$2,750,592	\$312,565	\$3,063,157
EL SALVADOR					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project	UNEP		\$57,980	\$0	\$57,980
Total for El Salvado			\$57,980		\$57,980
GHANA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening (Phase 5)	UNDP		\$139,100	\$18,083	\$157,183
Total for Ghan:			\$139,100	\$18,083	\$157,183

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
GUATEMALA					
FUMIGANT					
Methyl bromide					
National phase out of methyl bromide	UNIDO	468.0	\$3,257,377	\$368,311	\$3,625,688 6.96
<i>The Executive Committee: (a) noted that Guatemala's baseline consumption of MB is 400.7 ODP tonnes, its latest MB consumption reported for 2001 to the Ozone Secretariat is 788.6 ODP tonnes and, therefore, Guatemala might not be in compliance with the 2002 freeze target; (b) agreed that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of \$3,257,377 plus agency support costs is approved on the basis that (i) the implementation schedule proposed in the project is planned to achieve a total reduction in consumption of 468 ODP tonnes in 2005; of this amount 100 tonnes would be reduced by non-Article 5 companies. Furthermore, 388 ODP tonnes would be reduced in the calendar year of 2004 and additional 80 ODP tonnes in the calendar year 2005 in order to enable Guatemala to meet the MB freeze and 2005 reduction targets, respectively; (ii) Guatemala commits to permanently sustain the reduction in the consumption of MB through the implementation of the project and the use of import restrictions and other policies that it might deem necessary, bringing the total aggregate national consumption in controlled uses of MB to 320.6 ODP tonnes. This will enable them to achieve the 20% reduction in the baseline consumption by 2005; (iii) Guatemala will completely phase-out MB consumption by 2008, bringing the national aggregate consumption of controlled uses of MB down to zero, provided that a second portion of the project (\$3,264,389) is approved; and (iv) Guatemala will sustain this phase-out of MB agreed above through import restrictions and controlled use of MB for all non-exempt MB uses</i>					
Total for Guatemal		468.0	\$3,257,377	\$368,311	\$3,625,688
HAITI					
SEVERAL					
Institutional strengthening					
Institutional strengthening: establishment of the Ozone Unit	UNEP		\$50,000	\$0	\$50,000
<i>Approved for one year in order to review the ODS consumption data for the completion of the country programme and RMP project on the understanding that the decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues</i>					
Total for Hait			\$50,000		\$50,000
INDIA					
AEROSOL					
Contract filler					
Terminal umbrella project aerosol sector	UNDP	132.5	\$583,000	\$74,130	\$657,130 4.40
<i>Approved on the understanding that the Government of India will not seek additional assistance from the Multilateral Fund in the aerosol sector, excluding MDI applications</i>					
PRODUCTION					
Preparation of project proposal					
Project preparation funds for CTC production closure plan	IBRD		\$90,000	\$11,700	\$101,700

List of projects and activities recommended for funding

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Annex I

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
REFRIGERATION					
MAC					
Complete phase-out of ODS (CFC-12) technology to non-ODS technology (HFC-134a) for manufacturing of mobile air conditioners (MACs) at Subros Limited (Phase II)	IBRD		\$1,181,693	\$222,895	\$1,404,588
Multiple-subsectors					
Plan for phase-out of CFCs in the refrigeration (manufacturing) sector <i>In accordance with the agreement between the Government of India and the Executive Committee approved at the 38th Meeting</i>	UNIDO	79.5	\$500,000	\$65,000	\$565,000 6.29
Plan for phase-out of CFCs in the refrigeration (manufacturing) sector <i>In accordance with the agreement between the Government of India and the Executive Committee approved at the 38th Meeting</i>	UNDP	291.5	\$2,000,000	\$172,971	\$2,172,971 6.86
SOLVENT					
CTC					
Conversion of carbon tetrachloride (CTC) as cleaning solvent to trichloroethylene at Navdeep Engineering, Palghar <i>Approved on the understanding that no further projects would be approved in the absence of a sector or national phase out plan</i>	UNIDO	53.9	\$661,842	\$82,803	\$744,645 12.28
	Total for India:	557.4	\$5,016,535	\$629,499	\$5,646,034
INDONESIA					
FOAM					
Rigid					
Project to phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam for insulating purposes at Ganesha Rattesko and Sindari Nusatama.	UNIDO	52.0	\$283,490	\$36,854	\$320,344 5.45
Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam for insulating purposes at Delta Atlantik and Samudra Plastics	UNIDO	18.8	\$146,388	\$19,030	\$165,418 7.78
REFRIGERATION					
MAC					
Refrigeration sector phase-out plan: MAC servicing sector <i>In accordance with the agreement between the Government of Indonesia and the Executive Committee approved at the 38th Meeting. The Executive Committee noted that bilateral partners might wish to consider developing future proposals to assist Indonesia to address any remaining eligible CFC consumption</i>	IBRD		\$1,369,800	\$121,962	\$1,491,762
Multiple-subsectors					
Refrigeration sector phase-out plan: refrigeration servicing <i>In accordance with the agreement between the Government of Indonesia and the Executive Committee approved at the 38th Meeting. The Executive Committee noted that bilateral partners might wish to consider developing future proposals to assist Indonesia to address any remaining eligible CFC consumption</i>	UNDP		\$2,196,758	\$195,708	\$2,392,466
	Total for Indonesia:	70.8	\$3,996,436	\$373,554	\$4,369,990
IRAN					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNDP	14.3	\$173,511	\$22,556	\$196,067
	Total for Iran:	14.3	\$173,511	\$22,556	\$196,067

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
KENYA					
FUMIGANT					
Methyl bromide					
Technology transfer leading to methyl bromide phase-out in soil fumigation in cut flower component (first tranche) <i>In accordance with the agreement between the Government of Kenya and the Executive Committee approved at the 38th Meeting</i>	UNDP	10.0	\$510,660	\$66,173	\$576,833
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNDP		\$151,667	\$19,717	\$171,384
Total for Kenya:		10.0	\$662,327	\$85,890	\$748,217
KOREA, DPR					
SOLVENT					
CTC					
Conversion of cleaning processes from CTC (formerly methyl chloroform) to perchloroethylene cleaning at the Plating Workshop (PLT) of the refrigeration factory of the 5 October Automation Complex, Pyongchon District, Pyongyang City	UNIDO	69.3	\$508,068	\$65,887	\$573,955 7.41
Conversion of cleaning processes from CTC to perchloroethylene cleaning at the galvanising workshop of the Pyongyang Illuminating Fixtures Factory (PIF)	UNIDO	29.7	\$230,172	\$29,922	\$260,094 7.75
Conversion of methyl chloroform and CTC to non-ODS solvent cleaning in the plating workshop of the Taedong-gang Television Factory (PTV), Taedong-gang District, Pyongyang City	UNIDO	59.8	\$597,886	\$75,767	\$673,653 9.99
Total for Korea, DPI		158.8	\$1,336,126	\$171,577	\$1,507,703
LAO, PDR					
FOAM					
Flexible slabstock					
Conversion from CFC-11 to methylene chloride (MC) in the manufacture of flexible polyurethane foam (box) at Prasert Foam Co., Ltd.	UNDP	16.3	\$139,343	\$18,115	\$157,458 8.55
Total for Lao, PDI		16.3	\$139,343	\$18,115	\$157,458
LEBANON					
FUMIGANT					
Methyl bromide					
Phase-out of methyl bromide (strawberries): release of second tranche	UNIDO	10.1	\$421,946	\$54,853	\$476,799
Phase-out of methyl bromide in the vegetables, cut flowers, and tobacco production: release of second tranche	UNDP	31.8	\$600,000	\$76,000	\$676,000
Total for Lebanon:		41.9	\$1,021,946	\$130,853	\$1,152,799
LIBYA					
SEVERAL					
Preparation of project proposal					
National phase-out plan	UNIDO		\$40,000	\$5,200	\$45,200
Total for Libya:			\$40,000	\$5,200	\$45,200

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$) Project	Support	C.E. Total (US\$/kg)
MALAYSIA					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNDP	23.1	\$279,500	\$36,335	\$315,835
Total for Malaysia:		23.1	\$279,500	\$36,335	\$315,835
MALDIVES					
REFRIGERATION					
Refrigerant management plan					
Implementation of the refrigerant management plan: awareness and incentive programme	UNDP	3.5	\$115,000	\$14,950	\$129,950
Implementation of the refrigerant management plan: monitoring and review	UNEP		\$15,000	\$1,950	\$16,950
Implementation of the refrigerant management plan: training of customs officials and NOU staff	UNEP		\$35,000	\$4,550	\$39,550
Implementation of the refrigerant management plan: training the trainer programme for service	UNEP		\$35,000	\$4,550	\$39,550
Total for Maldives:		3.5	\$200,000	\$26,000	\$226,000
MEXICO					
MULTI-SECTOR					
Multiple-subsectors					
Country programme update	UNDP		\$48,046	\$6,246	\$54,292
PRODUCTION					
Technical assistance/support					
Closure of CFC production facilities of the company Quimobasicos	UNIDO		\$38,000	\$4,940	\$42,940
Total for Mexico:			\$86,046	\$11,186	\$97,232
MOROCCO					
OTHER					
Technical assistance/support					
Country programme update	UNIDO		\$40,000	\$5,200	\$45,200
Total for Morocco:			\$40,000	\$5,200	\$45,200
NIGERIA					
FOAM					
Multiple-subsectors					
National CFC phase-out plan: foam sector <i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>	UNDP		\$4,230,000	\$379,100	\$4,609,100
REFRIGERATION					
Domestic/commercial					
National CFC phase-out plan: refrigeration manufacturing <i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>	UNIDO		\$682,386	\$82,521	\$764,907
Multiple-subsectors					
National CFC phase-out plan: refrigeration servicing sector <i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>	UNDP		\$813,529	\$70,218	\$883,747

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E.
			Project	Support	Total (US\$/kg)
SEVERAL					
Preparation of project proposal					
Preparatory project for a national information, education and communication campaign for compliance with the Montreal Protocol	Japan	5.6	\$68,000	\$8,840	\$76,840 12.10
<i>Approved on the understanding that: (a) the project would focus on the fostering of fundamental capabilities of Nigeria to produce country-specific indigenous media relations and the establishment of cooperative structures within government, industry, NGOs and the education system to promote action-oriented public understanding and support for ODS phase-out during the compliance period through interaction of media and NGOs entities in Japan; (b) the project should ensure cost-effective participation of media experts and NGOs resource persons from bilateral sources who would facilitate the establishment of information and media strategy on the protection of the ozone layer, drawing upon the experience of non Article 5 countries in achieving national compliance with the Montreal Protocol; (c) the project would benefit from any services and input available from the CAP and would be harmonised with the awareness-raising components of the approved projects in the related areas in Nigeria, taking into account the comments made by the Fund Secretariat in paragraphs 17 to 21 of document UNEP/OzL.Pro/Excom/38/16</i>					
	Total for Nigeria	5.6	\$5,793,915	\$540,679	\$6,334,594
PANAMA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening- phase 3	UNEP		\$149,500	\$0	\$149,500
	Total for Panam:		\$149,500		\$149,500
PHILIPPINES					
PHASE-OUT PLAN					
CFC phase-out plan					
National CFC phaseout plan	IBRD		\$2,858,473	\$248,663	\$3,107,136
<i>In accordance with the agreement between the Government of Philippines and the Executive Committee approved at the 38th Meeting</i>					
National CFC phaseout plan (sevicng sector)	Sweden		\$152,400	\$11,316	\$163,716
<i>In accordance with the agreement between the Government of Philippines and the Executive Committee approved at the 38th Meeting</i>					
	Total for Philippines		\$3,010,873	\$259,979	\$3,270,852
SAO TOME AND PRINCIPE					
SEVERAL					
Institutional strengthening					
Institutional strengthening: establishment of the Ozone Unit	UNEP		\$30,000	\$0	\$30,000
<i>Approved for a one-year period on the understanding that the decision was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues</i>					
	Total for Sao Tome and Princip		\$30,000		\$30,000

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
SRI LANKA					
FUMIGANT					
Methyl bromide					
Methyl bromide phase-out for all remaining uses excluding QPS applications	UNDP	3.3	\$130,000	\$16,900	\$146,900
Total for Sri Lanka		3.3	\$130,000	\$16,900	\$146,900
SYRIA					
FOAM					
Polystyrene/polyethylene					
Phasing out of CFC-12 by conversion to n-butane as a blowing agent in the manufacture of extruded polystyrene (EPS) foam for packing purposes at Shanko and Partners Co. <i>Approved on the understanding that the Government of Syria will not request further assistance from the Multilateral Fund for any project in the EPE/EPS foam sub-sector</i>	UNIDO	16.0	\$132,200	\$17,186	\$149,386 8.22
REFRIGERATION					
Domestic					
Plan for elimination of CFCs in the refrigeration manufacturing sector (domestic refrigeration) <i>The Government of Syria commits to phase-out 312 ODP tonnes through implementation of the sector phase-out plan by 2006. Under this agreement the total remaining eligible CFC consumption in Syria would be reduced from the current level of 465.1 ODP tonnes by 312 ODP tonnes, leaving 153.1 ODP tones as the maximum remaining CFC consumption eligible for funding; the Government agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities in the refrigeration (manufacturing) sector. The Executive Committee agrees to provide Syria with flexibility in using the agreed funds consistent with operational procedures as agreed between Syria and the agencies (UNDP and UNIDO) in the refrigeration (manufacturing) sector phase-out plan; the Government agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year</i>	UNIDO	51.0	\$353,100	\$40,590	\$393,690 6.95

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)	
			Project	Support		
Multiple-subsectors						
Plan for elimination of CFCs in the refrigeration manufacturing sector (except domestic refrigeration) <i>The Government of Syria commits to phase-out 312 ODP tonnes through implementation of the sector phase-out plan by 2006. Under this agreement the total remaining eligible CFC consumption in Syria would be reduced from the current level of 465.1 ODP tonnes by 312 ODP tonnes, leaving 153.1 ODP tones as the maximum remaining CFC consumption eligible for funding; the Government agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities in the refrigeration (manufacturing) sector. The Executive Committee agrees to provide Syria with flexibility in using the agreed funds consistent with operational procedures as agreed between Syria and the agencies (UNDP and UNIDO) in the refrigeration (manufacturing) sector phase-out plan; the Government agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under the Montreal Protocol by 30 September each year; as the lead implementing agency, UNDP will be responsible for reporting annually on the implementation of all activities funded under the sector plan; providing verification to the Executive Committee annually that CFC consumption phase-out in the refrigeration (manufacturing) sector has been completed based on the approved scheduled</i>	UNDP	246.2	\$1,665,188	\$191,422	\$1,856,610	6.76
	Total for Syria	313.2	\$2,150,488	\$249,198	\$2,399,686	
TOGO						
REFRIGERATION						
Refrigerant management plan						
Implementation of the refrigerant management plan: monitoring of the activities included in the RMP	UNDP		\$15,000	\$1,950	\$16,950	
Implementation of the refrigerant management plan: incentive programme for the commercial and industrial end-user refrigeration sector	UNDP	5.0	\$110,000	\$14,300	\$124,300	
Implementation of the refrigerant management plan: recovery and recycling of refrigerants <i>Approved on the understanding that the project will not commence until the legislation controlling CFCs import will be in place and the local market prices of CFCs and non-ODS refrigerants are similar</i>	UNDP	8.3	\$150,000	\$19,500	\$169,500	
Implementation of the refrigerant management plan: training of refrigeration technicians	UNEP		\$64,000	\$8,320	\$72,320	
Implementation of the refrigerant management plan: training of customs officers	UNEP		\$43,500	\$5,655	\$49,155	
	Total for Togo	13.3	\$382,500	\$49,725	\$432,225	
TRINIDAD AND TOBAGO						
REFRIGERATION						
Preparation of project proposal						
Project preparation RMP - update	UNDP		\$13,500	\$1,755	\$15,255	
SEVERAL						
Institutional strengthening						
Extension of institutional strengthening project (phase III)	UNDP		\$57,200	\$7,436	\$64,636	
	Total for Trinidad and Tobago		\$70,700	\$9,191	\$79,891	

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
TURKEY					
HALON					
Banking					
Halon management programme, halon recovery, recycling and banking	IBRD		\$439,250	\$57,103	\$496,353
<i>Approved on the understanding that, consistent with this decision, from the end of 2004 onwards, if the Government of Turkey was unable to find sufficient quantities of recycled or reclaimed halons domestically or internationally in the post-2004 time-frame, it would submit any requests for essential uses for halon to the TEAP for review, consistent with decision 10/12 of the Meeting of the Parties. The Executive Committee noted that the TEAP had agreed to undertake the review and the Government of Turkey had agreed to be bound by the findings of the Panel</i>					
REFRIGERATION					
Multiple-subsectors					
2003 annual programme for the refrigeration sector plan	IBRD	375.0	\$2,500,000	\$175,000	\$2,675,000 6.67
Total for Turkey		375.0	\$2,939,250	\$232,103	\$3,171,353
URUGUAY					
AEROSOL					
Technical assistance/support					
Initial transition strategy for the phase-out of CFCs use in metered dose inhalers	UNDP		\$70,000	\$9,100	\$79,100
Total for Uruguay			\$70,000	\$9,100	\$79,100
VENEZUELA					
FOAM					
Rigid					
Phasing out CFC-11 by conversion to HCFC-141b as a blowing agent in the manufacture of rigid p.u. foams: Umbrella No. 2 project.	UNIDO	135.5	\$851,432	\$103,658	\$955,090 6.29
Total for Venezuela		135.5	\$851,432	\$103,658	\$955,090
YUGOSLAVIA					
REFRIGERATION					
Compressor					
Conversion of CFC-12 to HFC-134a in the manufacture of open compressors at Prva Petoletka - Kocna Tehnika Co.	UNIDO	2.0	\$223,412	\$29,044	\$252,456
Total for Yugoslavia		2.0	\$223,412	\$29,044	\$252,456

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
REGION: AFR					
FUMIGANT					
Technical assistance/support					
Technical assistance for methyl bromide reductions and formulation of regional phase-out strategies for low-volume consuming countries	UNDP	0.8	\$550,000	\$70,500	\$620,500
<p><i>Approved on the understanding that: (a) Botswana and Cameroon would not be included in the project proposal since the demonstration projects previously approved for UNIDO would result in the complete phase-out of methyl bromide consumption in those countries; (b) because UNIDO had been requested by the Governments of Ethiopia and Zambia to formulate investment projects once ratification of the Copenhagen Amendment had been finalised, the project would include those two countries only insofar as policy support was required to allow for the ratification of the Copenhagen Agreement and that any future investment work post-ratification, as deemed necessary, would be undertaken with UNIDO; (c) the project will provide technical assistance to achieve methyl bromide reductions to meet the 20 per cent reduction step in Congo, Democratic Republic of Congo, Nigeria, Sudan and Swaziland, without further assistance from the Multilateral Fund; (d) the project will also provide assistance to countries to put in place appropriate mechanisms to reduce and eventually ban imports of methyl bromide; (e) UNDP would request all the governments participating in the project, except those in paragraph c above, to submit letters indicating their understanding that in accepting this project they would not return for further methyl bromide funding in future, as per the terms of the revised methyl bromide strategy and guidelines; and (f) UNDP agreed to report to the Executive Committee on progress achieved on an annual basis</i></p>					
Total for Region: AFI		0.8	\$550,000	\$70,500	\$620,500

List of projects and activities recommended for funding

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Project Title	Agency	ODP (tonnes)	Funds recommended (US\$) Project	Support	C.E. Total (US\$/kg)
REGION: ASP					
SEVERAL					
Technical assistance/support					
Assistance for the implementation of strategic planning of the Multilateral Fund to promote compliance with the Montreal Protocol in the Asia and Pacific region (phase 2)	Japan		\$125,000	\$16,250	\$141,250
<i>Approved on the understanding that: (a) the Japanese Government would assist Iran and Mongolia in preparing country consultations in these countries and help convene in either of these countries a country consultation meeting on the model of the consultation held in Sri Lanka in the year to come; (b) such consultation should result in the establishment of commitment and shared responsibilities for national compliance by all stakeholders at the highest level such as those of the National Ozone Unit, central and local government entities, policy makers at parliamentary level, industry associations and non-governmental organisations, through networking among them and should facilitate elaboration of a national compliance strategy and expedite implementation of approved phase-out measures as well as the identification of further measures required to achieve compliance; (c) the project should ensure cost-effective participation of experts and resource persons from bilateral sources who would contribute to the country consultation by providing, knowledge and information on the state of the art on the use of technologies and experience in ODS phase-out in Japan; (d) the charge against the aggregate baseline ODP level at \$12.1/kg should be applied to the non-LVC Party, in accordance with Decision 35/57; and (e) the Japanese Government would coordinate its activities with the projects approved in the related areas for other implementing agencies, taking into account the comments made by the Fund Secretariat in paragraphs 28-35 of document UNEP/OzL.Pro/ExCom/38/16</i>					
Total for Region: ASF			\$125,000	\$16,250	\$141,250
GLOBAL					
SEVERAL					
Programme administration					
Compliance assistance programme: 2003 work programme	UNEP		\$5,830,885	\$466,471	\$6,297,356
<i>UNEP was requested, in the preparation of future budgets, to take into account the comments and concerns expressed by the Sub-Committee and to prepare unified budgets, internalising the programme support costs, if necessary in an indicative way</i>					
Total for Globa			\$5,830,885	\$466,471	\$6,297,356
GRAND TOTAL		8,734.6	\$71,641,989	\$6,641,565	\$78,283,554

Summary

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Sector	Tonnes ODP	Funds Approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Refrigeration	181.0	\$1,788,991	\$161,009	\$1,950,000
Phase-out plan		\$152,400	\$11,316	\$163,716
Several	5.6	\$264,682	\$34,408	\$299,090
TOTAL:	186.6	\$2,206,073	\$206,733	\$2,412,806
INVESTMENT PROJECT				
Aerosol	168.9	\$743,160	\$94,951	\$838,111
Foam	3,054.1	\$20,517,866	\$1,947,394	\$22,465,260
Fumigant	887.0	\$9,191,420	\$1,082,095	\$10,273,515
Halon	2,295.0	\$6,379,250	\$62,303	\$6,441,553
Refrigeration	1,796.0	\$18,387,400	\$1,861,270	\$20,248,670
Solvent	212.7	\$1,997,968	\$254,380	\$2,252,348
Phase-out plan		\$2,858,473	\$248,663	\$3,107,136
TOTAL:	8,413.6	\$60,075,537	\$5,551,055	\$65,626,592
WORK PROGRAMME AMENDMENT				
Aerosol		\$70,000	\$9,100	\$79,100
Fumigant	0.8	\$590,000	\$75,700	\$665,700
Multi-sector		\$48,046	\$6,246	\$54,292
Other		\$40,000	\$5,200	\$45,200
Production		\$278,000	\$36,140	\$314,140
Refrigeration		\$13,500	\$1,755	\$15,255
Several	133.5	\$8,320,833	\$749,635	\$9,070,468
TOTAL:	134.3	\$9,360,379	\$883,776	\$10,244,155
Summary by Parties and Implementing Agencies				
Germany		\$71,682	\$9,318	\$81,000
Italy	181.0	\$1,788,991	\$161,009	\$1,950,000
Japan	5.6	\$193,000	\$25,090	\$218,090
Sweden		\$152,400	\$11,316	\$163,716
IBRD	5,271.5	\$28,215,507	\$2,143,030	\$30,358,537
UNDP	1,191.7	\$18,107,641	\$1,917,528	\$20,025,169
UNEP		\$6,508,595	\$491,496	\$7,000,091
UNIDO	2,084.7	\$16,604,173	\$1,882,778	\$18,486,951
GRAND TOTAL	8,734.6	\$71,641,989	\$6,641,565	\$78,283,554

Annex II

AGREEMENT FOR THE NATIONAL CFC PHASE-OUT PLAN FOR THE PHILIPPINES (DRAFT)

1. The Executive Committee approves in principle a total of \$10,575,410, excluding agency support costs, in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I, chemicals in the Philippines. This is the total funding that would be available to the Philippines from the Multilateral Fund for the total elimination of the consumption and use of Annex A, Group I, chemicals in the Philippines. 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. This amount is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol mechanisms for dealing with non-compliance issues.

2. By this Agreement, the Philippines commits that in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I CFC consumption in accordance with the maximum allowable total consumption limits given in Table 1 and the performance targets outlined in Table 12.2 of Chapter 12 of the National CFC Phase-out Plan (NCP) of the Philippines, as detailed in the annual implementation programmes.

Table 1: Disbursement schedule and control targets for total CFC phase-out in the Philippines (ODP tonnes and \$)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Maximum allowable CFC consumption	2,049.3	2,049.3	1,960	1,810	1,509	1,360	453	400	300	
Reduction from ongoing projects	-	31.7	-	-	-	-	-	-	-	31.7
New reduction under plan	-	-	89.3	150	301	149	907	53	100	1,749
Total annual reduction	-	31.7	89.3	150	301	149	907	53	100	1,781
Agreed funding (WB Component I)	-	2,858,473	1,877,418	2,160,071	2,873,197	337,717	110,000	0	0	10,100,743
WB support costs	-	248,663	160,968	186,006	248,588	20,795	5,500	-		860,067
Agreed funding (Swedish Component II)	-	152,400	166,134	40,000	0	0	0	0	0	474,667
Swedish bilateral support costs	-	11,316	12,952	2,000	0	0	0	0	0	36,720
Total agreed funding (\$)	-	3,010,873	2,043,552	2,200,071	2,873,197	337,717	110,000	0	0	10,575,410
Total agency support costs (\$)	-	259,979	173,920	188,006	248,588	20,795	5,500	0	0	896,787
Total cost to the MLF		3,270,852	2,217,472	2,388,077	3,121,785	358,512	115,500	0	0	11,472,197

3. In order to assist the Philippines in establishing its implementation structure within the country, achievement of the Philippines' 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 38th Meeting to provide \$3,010,873 to the Philippines plus agency support costs of \$259,979.
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 reduction targets and consumption limits specified in Table 1 and the other performance requirements contained in this agreement;
 - (b) Approval of annual implementation programme for the following year; and
 - (c) Compliance with the milestones outlined in Table 12.2 of Chapter 12 of the NCPP and the relevant annual implementation programme.
5. 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.
6. Payments noted in Table 1, other than the payments in 2002 and 2003, will be released based on confirmation that: the agreed reductions and 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 programme.
7. For example, payment in 2004 for the 2005 implementation programme will be conditional on satisfactory verification that the Philippines has, as a minimum: met its reduction and consumption targets for 2003 as specified in Table 1, and; completed the 2002 implementation plan activities and the 2003 activities planned for completion before the 2003 reporting date. Payment in 2005 for the 2006 implementation plan will be released based on confirmation that the 2004 reduction and consumption targets have been met, and so on for future years.
8. The Government of the Philippines agrees to ensure accurate monitoring of the phase-out. The Government of the Philippines 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 the Philippines' 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 no later than 30 September each year.
9. The Government of the Philippines 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.

10. The National CFC Phase-out Plan for the Philippines may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide the Philippines 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 the Philippines pursuant to this Agreement may be used in any manner consistent with this Agreement that the Philippines believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between the Philippines, the World Bank as the lead implementing agency, and the Government of Sweden as co-implementing agency, in the National CFC Phase-out Plan for the Philippines as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to the Philippines to achieve a complete CFC phase-out, it is noted that the Philippines 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.

11. The Government of the Philippines agrees that the funding agreed in principle by the Executive Committee at its 38th Meeting for complete phase-out of consumption of Annex A, Group I substances is the total funding that will be available to the Philippines 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 13 below, the Government of the Philippines, 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.

12. The Government of the Philippines agrees that if the Executive Committee meets its obligations under this Agreement, but the Philippines does not meet the reduction requirements outlined in Table 1, and other requirements outlined in this document, the implementing and bilateral agencies 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 the Philippines and the Executive Committee of their obligations. In addition, the Philippines understands that with respect to all calendar year targets beginning with 2003, as set out in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for Annex A, Group I substances phase-out on the basis of \$15,000 per ODP tonne of reduction not achieved in any year, unless the Executive Committee decides otherwise.

13. 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 (details are in Annex VII of the NCPP proposal).

14. The NCPP consists of a phase-out plan for the manufacturing sector prepared with the assistance of the WB and a phase-out plan for the servicing sector prepared with assistance from the Government of Sweden. The World Bank, as the lead implementing agency, will assist the Government of the Philippines to implement the overall National CFC Phase-out Plan, to carry out the activities required to achieve the phase-out targets specified in the Plan and also to carry out activities related to policy and regulatory development under the World Bank part of the Plan (Component I). The Government of Sweden, as a co-implementing agency, will provide support for activities related to the service sector and will provide assistance to the Philippines to implement the train-the-trainer, CFC reclamation programmes and activities related to policy and regulatory development relevant for the servicing sector (Component II). The funding provided by the Government of Sweden as stated in Table 1, will be counted against the Swedish bilateral quota of its contribution to the Multilateral Fund in annually specified tranches.

15. As the lead implementing agency, the World Bank will be responsible for the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with specific World Bank procedures and requirements as specified in the National CFC Phase-out Plan for the Philippines, 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 the Philippines 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 the World Bank 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 phase-out of national Annex A Group I consumption for the Philippines has been completed based on the schedules listed in Table 1;
 - (j) Ensuring that disbursements are made to the Philippines based on agreed

performance targets in the annual work programmes and provisions in this Agreement; and

(k) Providing policy development assistance when required.

16. The Government of Sweden, as co-implementing agency, will:

(a) Assist the Government of the Philippines in the implementation and verification of the activities funded by Swedish bilateral cooperation for the years 2002-2004 as indicated in Table 1, including the development and implementation of regulations, policy and targeted public awareness activities;

(b) Provide assistance relating to the service sector, as required, in the development and implementation of regulations, policy and targeted public awareness activities; and

(c) Provide reports to the World Bank on these activities, for inclusion in the consolidated reports.

17. The funding components of this Agreement 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

**VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF
INSTITUTIONAL STRENGTHENING PROJECTS
SUBMITTED TO THE 38th MEETING**

Antigua and Barbuda

1. The Executive Committee has reviewed the information presented in the institutional strengthening project for Antigua and Barbuda and notes with appreciation the fact that Antigua and Barbuda reported 2001 CFC consumption to the Ozone Secretariat, that is lower than its 1995-1997 average CFC consumption. The Executive Committee also notes that Antigua and Barbuda has taken steps to phase-out its ODS consumption, including public awareness activities, the enhancement of ODS legislation, collection of CFC consumption data, and implementation of training programmes on recovery and recycling, good service practices and customs. These and other activities are encouraging and the Executive Committee expressed the expectation that, in the next two years, Antigua and Barbuda will continue the implementation of the Montreal Protocol, the RMP projects and the awareness activities, to achieve further reductions in ODS consumption.

Argentina

2. The Executive Committee has reviewed the institutional strengthening project for Argentina. The Executive Committee takes note with appreciation of the fact that Argentina is in compliance with all Montreal Protocol obligations. Argentina has reported several achievements, namely: the submission of nine investment projects; the completion of the CFC production phase-out strategy; the approval of an agreement for the complete phase-out of methyl bromide; ongoing implementation of a training programme for refrigeration technicians, leading to a national certification of technicians; and implementing public awareness activities. For the next two years, Argentina will focus on the implementation of approved sector phase-out plans, further development and implementation of its CFC production phase-out strategy, consolidation of its sectoral phase-out strategy, completion of the legal framework for ODS phase-out support, and the fulfilment of present and future Montreal Protocol commitments. The Executive Committee appreciates the efforts of Argentina in fulfilling its obligations under the Montreal Protocol.

Burkina Faso

3. The Executive Committee has reviewed the information presented in the institutional strengthening project for Burkina Faso and notes with appreciation the fact that Burkina Faso reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption. The Executive Committee also notes that Burkina Faso has taken steps to phase-out its ODS consumption, including awareness activities among all stakeholders (technicians, government and customs authorities, universities), the enhancement of

ODS legislation, data collection, and implementation of training on recovery and recycling. These and other activities are encouraging and the Executive Committee expressed the expectation that, in the next two years, Burkina Faso will continue the implementation of the Montreal Protocol, the RMP projects and the awareness activities to achieve further reductions in ODS consumption.

Central African Republic

4. The Executive Committee has reviewed the information presented in the institutional strengthening project for Central African Republic and notes with appreciation the fact that Central African Republic reported 2001 CFC consumption to the Ozone Secretariat that is lower than its 1995-1997 average CFC consumption. The Executive Committee also notes that Central African Republic has taken steps to phase-out its ODS consumption, including public awareness activities, data collection, and implementation of training programmes on good service practices and customs. These and other activities are encouraging and the Executive Committee expressed the expectation that, in the next two years, Central African Republic will continue the implementation of the Montreal Protocol, the RMP projects and the awareness activities, to achieve further reductions in ODS consumption.

Chile

5. The Executive Committee has reviewed the information presented in the institutional strengthening project for Chile. The Executive Committee takes note with appreciation that Chile has been able to sustain the consumption freeze for CFCs and will be able to comply with the 50 per cent reduction of CFC consumption in 2005 and meet the methyl bromide freeze requirement in 2002. In its submission, Chile reported on a number of initiatives it had undertaken during the previous phase of its institutional strengthening project, which included: drafting and submitting the regulatory framework for phasing out ODSs to the Minister Secretary-General to the Presidency; facilitating development of the refrigeration management plan, a methyl bromide investment project for fruit trees, an investment project to phase-out the use of CFC in the sterilisation sub-sector; and supervision of the implementation of approved projects. The Executive Committee also notes the efforts of the Ozone Unit to obtain the approval of the Parliament for the proposed ODS regulatory framework and its intent to enforce this new framework. These and other activities proposed in the following phase of the institutional strengthening project are encouraging, and the Executive Committee expresses the expectation that, in the next two years, Chile will continue its progress in addressing ODS-related issues and will achieve the forthcoming reductions in ODS consumption established by the Montreal Protocol.

China

6. The Executive Committee has reviewed the information presented in the institutional strengthening project for China. The Executive Committee takes note with appreciation of the fact that the 2000 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline. In its submission, China reported on a number of initiatives, including: formulation of policies to control and enforce ODS phase-out; training workshop for trainers, customs, and audit officers; consolidating and streamlining project implementation

procedures to take into account new mechanisms and procedures required under the sector approach which resulted in seven sector plans, four umbrella foam projects and over 300 individual projects and led to the phase-out of about 10,000 metric tonnes of ODS; inaugurating the Industrial Park for Implementation of Multilateral Environmental Agreements (MEAs), establishing of a Country Compliance Centre for enhancing the performance of the National Ozone Unit; and promoting public awareness. Over the next two years, China intends to further enhance the overall programme management capacity on ozone matters in SEPA, to enforce the control of illegal production, illegal consumption and illegal trade of ODSs. The Executive Committee expresses the expectation that in the next two years, China will continue the progress achieved and sustain and build upon its current levels of CFC reductions to achieve its goal of complying with the Protocol's 50 per cent reduction by 2005.

Colombia

7. The Executive Committee has reviewed the information presented in the institutional strengthening project for Colombia. The Executive Committee takes note with appreciation of the fact that Colombia continues to be well below its freeze level for 2001, and that the work of the National Ozone Unit has continued in spite of the difficulties in identifying a new coordinator. In its submission, Colombia reported on a number of initiatives it has undertaken, namely: completion of investment projects in the foam sector for a total phase-out of 45.2 ODP tonnes; approval of investment projects in the foam, solvent sector and MAC manufacturing sub-sectors, approval of Resolution 304 for the control of CFC imports, and implementation of public awareness. Over the next two years, Colombia intends to focus on the development and consolidation of a National CFC Phase-out Plan and the fulfilment of all the Protocol's commitments. The Executive Committee appreciates the efforts of Colombia in exceeding its obligations under the Montreal Protocol.

El Salvador

8. The Executive Committee has reviewed the information presented in the institutional strengthening project for El Salvador and notes with appreciation the fact that El Salvador reported 2001 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline. The Executive Committee also notes that El Salvador has taken steps to phase-out its ODS consumption through a licensing system; the organisation of training workshops on good practices in refrigeration; the distribution of refrigeration recovery and recycling equipment; and conducting public awareness activities throughout the country. This is encouraging and the Executive Committee expresses the expectation that, in the next two years, El Salvador will continue the implementation of the licensing system, the RMP and non-investment projects with outstanding progress, and sustain and build upon its current levels of reductions in ODSs.

Ghana

9. The Executive Committee has reviewed the information presented in the institutional strengthening project for Ghana. The Executive Committee takes note of the fact that after several years of being in non-compliance, Ghana's reported CFC consumption dropped from 47 tonnes in 1999 and 2000, to 35.6 tonnes in 2001, and therefore, Ghana was able to comply with the 1999 CFC-freeze requirement of the Montreal Protocol. In its submission, Ghana reported on a number of initiatives, namely: meetings of the Refrigeration Sub-Committee were held, implementation of the recovery and recycling and end-user incentive programmes, Ghana-EPA's permitting procedures were disseminated further and applied, several awareness seminars and customs-workshops were given, post-project visits were undertaken to foam-producing enterprises. Over the next two years Ghana's action plan states that it intends to continue these activities and initiatives and focus on the fulfilment of the Protocol's commitments, especially in relation to the 50 per cent CFC reduction measure.

Iran

10. The Executive Committee has reviewed the information presented in the institutional strengthening project for the Islamic Republic of Iran. The Executive Committee takes note with appreciation of the fact that the 2001 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline. In its submission, the Islamic Republic of Iran reported on a number of initiatives, including: enactment of the National Ozone Act and regulations, establishment of an import/export licensing policy and identification of all importers and users of ODS, particularly in the small, medium and informal sectors; completing the RMP survey and submitting a project proposal to the Executive Committee; surveying remaining ODS users in foam and refrigeration sectors and SMEs; completing 15 investment projects which phased out 565.6 ODP tonnes and additional 44 investment projects with a total consumption of 1,815.3 ODP tonnes expected to be completed by December 2002. Over the next two years, the Islamic Republic of Iran intends on establishing and enforcing the licensing system, monitoring ODS compliance and data processing and reporting, undertaking alternative technology and economic assessment, and promoting public awareness to meet the 50 per cent reduction targets in 2005. The Executive Committee expresses the expectation that in the next two years, the Islamic Republic of Iran will continue the progress achieved and sustain and build upon its current levels of CFC reductions to achieve its goal of complying with the Protocol's 50 per cent reduction by 2005.

Kenya

11. The Executive Committee has reviewed the information presented in the institutional strengthening project for Kenya and notes with appreciation the fact that Kenya reported its 2000 and 2001 CFC consumption to the Ozone Secretariat at a lower level than its compliance baseline. The Executive Committee also notes that Kenya has taken relevant steps to phase-out its consumption of ODS including issuance of regulations to control transboundary movement of ODS within the East African Community; follow-up on the implementation of on-going investment activities in the aerosol sector and demonstration activities in the methyl bromide sector; and continuing efforts to promote public awareness through training workshops, and collaboration with Parliamentarians on regulatory issues. Over the next two years, Kenya intends

to implement investment projects for methyl bromide phase-out; ratify the Beijing Amendment; initiate farmers field studies in alternatives to methyl bromide; and, continue with public awareness activities. The Executive Committee appreciates the efforts of Kenya to reduce the consumption of ODS and expresses the expectation that Kenya will build upon its current levels of reductions of ODS.

Malaysia

12. The Executive Committee has reviewed the information presented in the institutional strengthening project for Malaysia. The Executive Committee takes note with appreciation of the fact that the 2001 CFC consumption reported to the Ozone Secretariat is below the 1995-1997 compliance baseline, and Malaysia is well on its way to meeting the 50 per cent reduction required in 2005. In its submission, Malaysia reported on a number of initiatives, including: enforcement and monitoring visits to enterprises premises that had phased out CFC under the Multilateral Funded projects, dialogue sessions in different industrial sectors, the approval of the national CFC phase-out programme at the 35th Executive Committee Meeting; carrying out public awareness activities; and conducting seminars for halon users and refrigeration management training programme. Over the next two years, Malaysia intends on focusing on strengthening the enforcement activity and awareness campaigns to ensure that beneficiaries maintain their ODS consumption at zero, meeting the country's obligation of the Montreal Protocol, paving the way to 50 per cent and 85 per cent reduction levels by 2005 and 2007. The Executive Committee expresses the expectation that in the next two years, Malaysia will continue the progress achieved and sustain and build upon its current levels of CFC reductions to achieve its goal of complying with the Protocol's 50 per cent reduction by 2005.

Panama

13. The Executive Committee has reviewed the information presented in the institutional strengthening project for Panama and notes with appreciation the fact that Panama reported 2001 data to the Ozone Secretariat that is lower than its 1995-1997 CFC compliance baseline. The Executive Committee also notes that Panama has taken some significant steps to phase-out its consumption of ODS, including the establishment of guidelines and regulations on imports quota system, the approval of additional projects in different sectors and the ratification of the amendments to the Montreal Protocol. This is encouraging and the Executive Committee expresses the expectation that, in the next two years, Panama will continue the implementation of the licensing system, the RMP and non-investment projects with outstanding progress, and sustain and build upon its current levels of reductions in CFCs.

Trinidad and Tobago

14. The Executive Committee has reviewed the information presented in the institutional strengthening project for Trinidad and Tobago and notes with appreciation the fact that Trinidad and Tobago reported its 2000 and 2001 CFC consumption to the Ozone Secretariat at a lower level than its compliance baseline. The Executive Committee also notes that Trinidad and Tobago has taken relevant steps to phase-out its consumption of ODS including: the adoption of ODS-related legislation and the ratification of London, Copenhagen and Montreal Amendments

to the Montreal Protocol; implementation of an investment project in the aerosol sector, and the coordination of public education and awareness programmes. The Executive Committee appreciates the efforts of Trinidad and Tobago to reduce the consumption of ODS phase-out and expresses the expectation that, over the next two years, Trinidad and Tobago will have much success in the implementation of activities proposed in its work programme.

Annex IV

2003 CAP Budget - Paris and Regions (Global budget) (Draft)

						2002 (US\$)	Indicative 2003 (US\$)
10 PROJECT PERSONNEL COMPONENT						As approved by (Decision 35/36)	
1100	Project personnel*						
	Title	Location	Grade	m/m			
1101	Chief	Paris	D1	9	132,000	137,280	
1102	Network and Policy Manager	Paris	P5	12	150,500	156,520	
1103	Capacity Building Manager	Paris	P4	12	129,500	134,680	
1104	Information Manager	Paris	P4	12	129,500	134,680	
1105	Monitoring and Administration Officer	Paris	P3	12	108,500	112,840	
1106	Information Officer	Paris	P3	12	108,500	112,840	
1107	HelpDesk Officer	Paris	P1	12	87,500	91,000	
1108	IS/RMP/NCAP Officer	Paris	P3	12	108,500	112,840	
1109	IT specialist	Paris	P3	6	54,250	56,420	
1110	RNC Africa (English Speaking)	Nairobi	P3/P4	12	118,400	123,136	
1111	Policy/enforcement Officer	Nairobi	P3/P4	12	118,400	123,136	
1112	RMP implementation officer	Nairobi	P2/P3	12	92,200	95,888	
1113	MBr phase-out officer	Nairobi	P2/P3	12	92,200	95,888	
1114	RNC LAC	Mexico	P3/P4	12	108,864	113,219	
1115	Policy/enforcement Officer	Mexico	P3/P4	12	108,864	113,219	
1116	RMP implementation officer	Mexico	P2/P3	12	89,586	93,169	
1117	MBr phase-out officer	Mexico	P2/P3	12	89,586	93,169	
1118	RNC SA	Bangkok	P3/P4	12	110,000	114,400	
1119	Policy/enforcement Officer	Bangkok	P3/P4	12	110,000	114,400	
1120	RMP implementation officer	Bangkok	P2/P3	12	85,000	88,400	
1121	MBr phase-out officer	Bangkok	P2/P3	12	85,000	88,400	
1122	RNC WA	Bahrain	P3/P4	12	109,000	113,360	
1123	RMP implementation officer	Bahrain	P3/P4	12	109,000	113,360	
1124	Halon Phaseout officer	Bahrain	P2/P3	12	89,500	93,080	
1125	RNC Africa (French Speaking)	Nairobi	P3/P4	12	118,400	123,136	
1199	Sub-total					2,642,750	2,748,460
1200	<i>Consultants (Description of activity/service)</i>						
1201	Consultants (training of CAP staff)					0	60,000
1299	Sub-total					0	60,000
1300	<i>Programme Assistance (General Service staff)*</i>						
	Title/Description	Location	Level	m/m			
1301	Secretary Chief	Paris	G6	12	74,000	76,960	
1302	Assistant Network Manager	Paris	G5	12	67,000	69,680	
1303	Assistant Clearinghouse	Paris	G5	12	67,000	69,680	
1304	Assistant Monitoring	Paris	G5	12	67,000	69,680	
1305	Assistant IS/RMP	Paris	G5	12	67,000	69,680	
1306	Programme assistant	Paris	G5	12	67,000	69,680	
1307	Technical data/documentation assistant	Paris	G5	12	67,000	69,680	
1308	Mailroom Clerk	Paris	G4	12	59,500	0	
1309	Assistant RNC Nairobi	Nairobi	G5	12	21,600	22,464	

	1310	ROA Assistance	Nairobi	G5	12	21,600	22,464	
	1311	Assistant RNC Mexico	Mexico	G5	12	40,500	42,120	
	1312	ROLAC Assistance	Mexico	G5	12	40,500	42,120	
	1313	Assistant RNC South Asia	Bangkok	G5	12	23,000	23,920	
	1314	ROAP Assistance	Bangkok	G5	12	23,000	23,920	
	1315	Assistant RNC West Asia	Bahrain	G5	12	35,000	36,400	
	1316	ROWA Assistance	Bahrain	G5	12	35,000	36,400	
	1317	Temporary Assistance	Paris			100,000	115,880	
1399	Sub-total					875,700	860,728	
1600	Travel on official business (UNEP staff)							
	1601	Travel on official business and outreach - Paris				250,000	200,000	
	1602	Travel Africa (Network + Training/MeBr)				50,000	90,000	
	1603	Travel Latin America & Caribbean (Network + Training/Policy)				50,000	80,000	
	1604	Travel South East Asia & Pacific Network **				0	0	
	1605	Travel South Asia (Network + Training/Refrigeration)**				40,000	75,000	
	1606	Travel West Asia (Network + Halon)***				20,000	70,000	
1699	Sub-total					410,000	515,000	
1999	COMPONENT TOTAL					3,928,450	4,184,188	
20 SUB CONTRACT COMPONENT								
	2100	Sub-contracts (MOUs/Las for cooperating agencies)						
	2101	Sub-contracts with cooperating agencies					0	0
2199	Sub-total					0	0	
	2200	Sub-contracts (MOUs/Las for supporting organizations)						
	2201	Sub-contracts with supporting organizations					0	0
2299	Sub-total					0	0	
	2300	Sub-contracts (for Commercial purposes)						
	2301	Technical support for information systems (OASIS)					75,000	78,000
	2302	OzonAction Newsletter					100,000	104,000
	2303	Illustration/graphics/layout design					40,000	41,600
2399	Sub-total					215,000	223,600	
2999	COMPONENT TOTAL					215,000	223,600	
30 TRAINING COMPONENT								
	3200	Travel (South-South, North-South Experts)****						
	3202	Africa region						20,000
	3203	Latin America & Caribbean region						20,000
	3204	Asia and Pacific region						20,000
	3205	West Asia region						15,000
3299	Sub-total						75,000	
	3300	Meetings/conferences						
	3301	Advisory Group and Consultative Meetings - Paris					75,000	78,000
	3302	Workshops Africa Network					198,000	201,000
	3303	Workshops Latin America & Caribbean Network					145,000	145,800
	3304	Workshops South East Asia & Pacific Network **					0	0
	3305	Workshops South Asia Network					56,000	60,000
	3306	Workshops West Asia Network					56,000	65,000
3399	Sub-total					530,000	549,800	

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3999	COMPONENT TOTAL		530,000	624,800
40 EQUIPMENT AND PREMISES COMPONENT				
4100	<i>Expendable equipment (items under \$1,500 each)</i>			
	4101	Office supplies - Paris	24,000	24,960
	4102	Office supplies - Regions	20,000	36,000
4199	<i>Sub-total</i>		44,000	60,960
4200	<i>Non-expendable equipment</i>			
	4201	Office equipment/Computer hardware - Paris	30,000	31,200
	4202	Office equipment/Computer hardware - Regions	26,000	37,000
4299	<i>Sub-total</i>		56,000	68,200
4300	<i>Rental of premises</i>			
	4301	Office rental - Paris	220,000	228,800
	4302	Office rental - Regions	50,000	76,817
4399	<i>Sub-total</i>		270,000	305,617
4999	COMPONENT TOTAL		370,000	434,777
50 MISCELLANEOUS COMPONENT				
5100	<i>Operation and maintenance of equipment</i>			
	5101	Rental and maintenance of office equipment - Paris	50,000	52,000
	5102	Rental and maintenance of office equipment - Regions	30,000	37,000
5199	<i>Sub-total</i>		80,000	89,000
5200	<i>Reporting cost</i>			
	5201	Reporting costs	25,000	26,000
	5202	Translation (US\$5,000 per region)	0	20,000
5299	<i>Sub-total</i>		25,000	46,000
5300	<i>Sundry</i>			
	5301	Communications (telephone, fax, email, mail, courier, freight) - Paris	160,000	166,400
	5302	Communications (telephone, fax, email, mail, courier, freight) - Networks **	40,000	59,000
5399	<i>Sub-total</i>		200,000	225,400
5400	<i>Hospitality</i>			
	5401	Hospitality	3,000	3,120
5499	<i>Sub-total</i>		3,000	3,120
5999	COMPONENT TOTAL		308,000	363,520
99	TOTAL DIRECT PROJECT COST		5,351,450	5,830,885
	<i>Programme support costs (8%)</i>		428,116	466,471
	GRAND TOTAL		5,779,566	6,297,356

Notes

- * Figures for 2003-2004 include 4% increase for inflation each year.
- ** Costs of SEAP Network funded by Government of Sweden. Travel support requested for CAP staff to assist countries in SEAP region.
- *** This includes US\$ 25,000 to cover the travel cost of the Halon expert (stationed in West Asia) to other regions for providing halon phase
- **** This will cover travel costs to facilitate sending South/South experts or North South experts to assist A5 countries

Annex V

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN DOMINICAN REPUBLIC (DRAFT)

The Executive Committee agrees to approve \$922,900 as the total funds that will be available to Dominican Republic to achieve the complete phase-out of 141 ODP tonnes of methyl bromide used for soil fumigation in the cut flower, melon and tobacco sectors.

As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Dominican Republic is 104 ODP tonnes, and the methyl bromide consumption in 2001 was 141 ODP tonnes, excluding 3 ODP tonnes which the Dominican Republic states that it uses for quarantine and pre-shipment applications.

Reductions resulting from the implementation of the project will ensure that Dominican Republic will meet the reduction schedule listed below. In this regard, Dominican Republic commits, through the implementation of the project, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Methyl bromide to be phased out (ODP tonnes)
2003	40
2005	60
2996	41

The project will phase-out all soil uses of methyl bromide in Dominican Republic. Dominican Republic commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

Funding for the project will be disbursed by the UNIDO in line with the following yearly budget breakdown:

Year	Disbursement
2003	35%
2004	35%
2005	30%

The Government of Dominican Republic has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified in soil fumigation at a later date, the responsibility to ensure its phase-out and still meet the requirements of the schedule in paragraph 3 above will lie solely with the Government.

The Government of Dominican Republic, in agreement with UNIDO, will have the flexibility in organizing and implementing the project's components which it deems more important in order

to meet the methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. UNIDO shall also report back to the Executive Committee annually on the progress in meeting the reductions required by the project.

Annex VI

**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN
KENYA
(DRAFT)**

1. The Executive Committee agrees to approve in principle \$1,595,811 (of which \$574,492 is to be allocated to the Government of Germany and US 1,021,319 is to be allocated to UNDP) as the total funds that will be available to Kenya to achieve the complete phase-out of 97 ODP tonnes of methyl bromide used for soil fumigation in the cut flower sector (63 ODP tonnes), vegetables, fruit, seedbeds and nurseries (34 ODP tonnes).

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for compliance for Kenya is 202 ODP tonnes, and the methyl bromide consumption in 2001 was 111 ODP tonnes, excluding 21 ODP tonnes which Kenya states that it uses for quarantine and pre-shipment applications.

3. Reductions resulting from the implementation of the project will ensure that Kenya will meet the reduction schedule listed below. In this regard, Kenya commits, through the implementation of the project, to reduce total national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Methyl bromide to be phased out (ODP tonnes)			Maximum levels of methyl bromide consumption excluding QPS (ODP tonnes)
	Cut flowers (UNDP)	Horticulture (Germany)	Total (a)	
2001	-	-	-	111
2004	10	5	15 (a)	96
2006	21	12	33	63
2008	22	12	34	29
2009	10	5	15	14
2010	0	0	0	14(b, c)

The project will aim to achieve faster reductions if feasible. The Government of Kenya may choose to speed up the methyl bromide reduction schedule if it wishes, without penalty to the project budget.

Excluding methyl bromide imports for quarantine and pre-shipment uses.

For non-soil uses such as stored grain structures

4. The project will without any further assistance from the Fund phase-out all soil uses of methyl bromide in Kenya. Kenya commits to permanently sustain the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Funding for the project will be disbursed by the Government of Germany and UNDP in line with the following yearly budget breakdown:

Year	Germany (a)	UNDP	Total
2002	0	510,660	510,660
2003	287,247	0	287,247
2004	172,347	306,396	478,743
2006	114,898	204,263	319,161

Bilateral contributions of the Government of Germany, starting in 2003.

6. The Government of Kenya has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption be identified in soil fumigation at a later date, the responsibility to ensure its phase-out and still meet the requirement of the schedule in paragraph 3, will lie solely with the Government. The remaining consumption of 14 ODP tonnes, noted in the schedule above, is used for stored products, artefacts and structures. This remaining consumption will be addressed through a separate, future phase-out project.

7. The Government of Kenya, in agreement with the Government of Germany and UNDP, will have the flexibility in organising and implementing the project's components which it deems more important in order to meet the methyl bromide phase-out commitments noted above. The Government of Germany and UNDP agree to manage the funding for the project in a manner designed to ensure the achievement of the specific methyl bromide reductions agreed upon. The Government of Germany and UNDP shall also report back to the Executive Committee annually on the progress in meeting the reductions required by the project.

Annex VII

AGREEMENT FOR THE PLAN FOR PHASE-OUT OF CFCs IN THE REFRIGERATION (MANUFACTURING) SECTOR IN INDIA (DRAFT)

1. The Government of India acknowledges that prior to this agreement the remaining national aggregate CFC consumption including project approvals determined on the basis of Decisions 35/57 and 37/66 was 1,530.4 ODP tonnes. The Executive Committee approves in principle a total of \$3,609,186 as the total eligible incremental costs for the phased reduction of the remaining national aggregate CFC consumption through the implementation of the Plan for phase-out of CFCs in the Refrigeration (Manufacturing) Sector in India by 1 January 2007. Under this Agreement, the total remaining eligible CFC consumption in India will be reduced from the current level of 1,530.4 ODP tonnes by 535 ODP tonnes, leaving 995.4 ODP tonnes as the maximum remaining consumption eligible for funding. The annual reduction in consumption in the refrigeration (manufacturing) sector of 535 ODP tonnes will be achieved according to the reduction schedule outlined in Table 1 below. The Government of India commits through this agreement to permanently sustain these reductions.

2. 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.

Table 1: Disbursement Schedule and Reduction Targets for CFC Consumption and Phase-out in the Refrigeration (Manufacturing) Sector in India

Parameter		2002	2003	2004	2005	2006	2007	Total
Annual CFC Consumption limit in the Refrigeration (Mfg) Sector (ODP MT)		1,373	1,173	923	555	203	0	N/A
a. Phase-out from approved ongoing projects in the Refrig Mfg Sector (ODP MT)		200	250	187	172	0	0	809
b. Phase-out from the current Plan, excluding ineligible enterprises (UNDP)		0	0	140	108	180	0	428
c. Phase-out from the current Plan, excluding ineligible enterprises (UNIDO)		0	0	40	67	0	0	107
d. Phase-out from ineligible enterprises (through legislative measures)		0	0	1	5	23	0	29
TOTAL ODP PHASE-OUT		200	250	368	352	203	0	1,373
Annual funding installment (US\$)	UNIDO	500,000	173,200	-	-	-	-	673,200
	UNDP	2,000,000	476,536	250,000	150,000	59,450	-	2,935,986
	Total	2,500,000	649,736	250,000	150,000	59,450	-	3,609,186
Agency support costs (US\$)	UNIDO	65,000	19,052	-	-	-	-	84,052
	UNDP	172,971	43,243	21,621	12,973	5,142	-	255,950
	Total	237,971	62,295	21,621	12,973	5,142	-	340,002
Total cost to MLF (US\$)		2,737,971	712,031	271,621	162,973	64,592	-	3,949,188

The phase-out of CFCs achieved through the implementation of the Sector Plan for 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. Any deficit will be added to the target for the next year in accordance with the provisions of the agreement.

The Executive Committee also agrees in principle to endeavour to provide the funds for the implementation of the annual programme for any given year at the last meeting of the Executive Committee in the preceding year, 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 funding instalments requested in the preceding year for 2004, 2005 and 2006 will be released subject to:

The confirmation that all agreed phase-out targets and consumption limits for the previous year have been achieved;

The verification that the activities planned for the previous year, were undertaken in accordance with the annual implementation programme.

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 which must be provided no later than 30 September. The Government of India 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 and that the implementation of the Refrigeration (Manufacturing) Sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

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/UNIDO 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 India in achieving a complete CFC phase-out in the Refrigeration (Manufacturing) Sector, it is understood that India 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.

The Government of India agrees that the funds being agreed in principle by the Executive Committee at its 38th Meeting for the complete phase-out of CFCs in the Refrigeration (Manufacturing) 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 Refrigeration (Manufacturing) Sector. It is also understood that aside from the agency fees 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 Refrigeration (Manufacturing) Sector in India.

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 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 the satisfactory performance by both the Government of India and the Executive Committee of their obligations. In addition, India understands that with respect to all calendar year targets beginning with 2004, the Multilateral Fund will reduce the subsequent funding tranches, and therefore the total funding for Annex A Group I substances in the amount of \$13,480 per ODP tonne (double the CE of the programme) of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

UNDP is the lead Implementing Agency for the implementation of this Phase-out Plan, which will be completed by the end of 2006, while UNIDO will be responsible for the refrigeration transportation sector. For UNDP, 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. Since UNIDO's implementation modalities will be different, the support costs are calculated separately, using 13% for the first \$500,000 and 11% thereafter for UNIDO share of the total funding level. As the main implementing agency, UNDP would be responsible for the following:

Ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Refrigeration (Manufacturing) Sector Phase-out Plan;

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;

Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met.

Ensuring that technical reviews undertaken by UNDP are undertaken by appropriate independent technical experts;

Assisting India in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;

Carrying out required supervision missions;

Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;

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;

Ensuring that disbursements are made to India based on agreed performance targets in the project and provisions of this Agreement;

Providing assistance for policy, management and technical support for implementation of the Sector Phase-out Plan, as and when required.

Annex VIII

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

This Agreement encompasses total phase-out of CFCs in the refrigeration sector in Indonesia. In this agreement the refrigeration sector includes the mobile air-conditioning sub-sector (MAC), with regard both to production of MACs and servicing. It includes and supersedes the Agreement between the Executive Committee and Indonesia entered into at the 37th Meeting for phase-out in the use of CFCs in the refrigeration (manufacturing) sub-sector. The Executive Committee and the Government of Indonesia acknowledge the intention to extend this Agreement to cover total phase-out of the consumption of Annex A, Group I substances (CFCs) in Indonesia following future consideration of additional resources for sector plans for phase-out in the foam and aerosols sectors in Indonesia. The Government of Indonesia also acknowledges that that the remaining national aggregate CFC consumption prior to this Agreement was 2,454.8 ODP tonnes. Under this Agreement the total remaining eligible consumption in Indonesia will be reduced from the current level of 2,454.8 ODP tonnes by 1,987 ODP tonnes, leaving 467.8 as the maximum remaining consumption eligible for funding.

The Executive Committee approves in principle a total of \$15,627,300 in funding for the phased reduction and complete phase-out of CFCs used in the refrigeration sector in Indonesia by 31 December 2007. This is the total funding that would be available to Indonesia from the Multilateral Fund for the complete elimination of CFC use in the refrigeration sector in Indonesia. 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 sector in accordance with the phase-out targets and CFC consumption limits as indicated in Table 1.

Table 1: Disbursement Schedule and Control Targets for CFC Consumption and Phase-out in the Refrigeration Sector in Indonesia

	2002	2003	2004	2005	2006	2007	2008	Total	
Annual CFC Consumption limit in the Refrigeration Sector (ODP tonnes)	n.a.	3,218	3,018	2,408	1,698	966	0	n.a.	
a. Annual phase-out target in the refrigeration manufacturing sub-sector (ODP tonnes) (UNDP)	0	90	300	300	300	241	0	1231	
b. Annual phase-out target in the refrigeration servicing sub-sector (ODP tonnes) (UNDP)	0	0	200	300	322	250	0	1,072	
c. Annual phase-out target in the MAC servicing sub-sector (ODP tonnes) (World Bank)	0	220	110	110	110	365	0	915	
Total ODP phase-out in the refrigeration sector (ODP tonnes) (see footnote 1)	0	310	610	710	732	856	0	3218	
Annual funding instalments (\$)	UNDP (refrigeration manufacturing)	1,288,000 see footnote 2	2,200,000	1,762,000	750,000	217,000	181,000	0	6,398,000
	Refrigeration manufacturing support cost	111,920 see footnote 2	194,000	156,900	67,500	19,530	16,290	0	566,140
	UNDP (refrigeration servicing)	2,196,758	1,805,987	500,000	250,000	159,555	0	0	4,912,300
	Refrigeration servicing support cost	195,708	160,939	43,400	21,300	13,160	0	0	434,507
	World Bank (MAC servicing)	1,369,800	1,347,300	1,347,300	126,800	125,800	0	0	4,317,000
	MAC servicing support cost	121,962	119,937	119,937	10,092	10,002	0	0	381,930
Total annual funding instalments (\$)	4,854,558	5,353,287	3,609,300	1,126,800	502,355	181,000	0	15,627,300	
Total support costs (\$)	429,590	474,876	320,237	98,892	42,692	16,290	0	1,382,577	
Total cost to MLF (\$)	5,284,148	5,828,163	3,929,537	1,225,692	545,047	197,290	0	17,009,877	
Total cost to MLF less amounts approved for UNDP at the 37 th Meeting	3,884,228	5,828,163	3,929,537	1,225,692	545,047	197,290	0	15,609,957	

Footnotes:

1. Provided that the "Annual CFC consumption limit in the refrigeration sector" is met and the "Total ODP Phase-out" is achieved, there can be flexibility in the contribution to total ODP phase-out from each of the sub-sectors indicated in categories a, b and c above.

2. This funding was approved at the 37th Meeting in July 2002.

In order to assist Indonesia to establish its implementation structure within the country, to achieve its 2003 reduction targets and to initiate measures to meet the other reduction targets specified in Table 1, and noting that the Executive Committee at its 37th Meeting provided \$1,288,000 plus

agency support costs as the first tranche of funding for the refrigeration manufacturing sub-sector, the Executive Committee decides at its 38th Meeting to provide an additional \$3,884,228 plus agency support costs to Indonesia for activities requiring funding up to the end of 2003.

The Executive Committee also agrees in principle to endeavour to provide the funds for the implementation of the annual programme for each year from 2004 onwards at the last meeting of the Executive Committee in the preceding year, 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 funding instalments requested in the preceding year for activities in 2004, 2005 and 2006 will be released subject to:

confirmation that all agreed phase-out targets and consumption limits for the previous year have been achieved;

verification that the activities planned for the previous year were undertaken substantially in accordance with a consolidated annual implementation programme; and

approval of a consolidated annual implementation programme.

Noting that funding for the refrigeration manufacturing sub-sector was approved at the 37th Meeting of the Executive Committee in July 2002 and that the next instalment under this Agreement will not be considered until the final meeting in 2003, a period of some 16 months, it is agreed that the payment in 2003 will be increased to \$2,200,000, and the payment in 2004 will be decreased to \$1,762,000. The increase of US\$600,000 in the 2003 payment may be sought as an advance at the second meeting of 2003, if expenditure of the first tranche has been fully committed prior to the meeting.

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, which must be provided no later than 30 September of each year. The Government of Indonesia 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 and that the implementation of each Refrigeration Sub-sector Phase-out Plan proceeds as scheduled and agreed in annual implementation programmes.

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/World Bank in the Refrigeration 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 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.

The Government of Indonesia agrees that the funds being agreed in principle by the Executive Committee at its 38th Meeting for the complete phase-out of CFCs in the Refrigeration Sector are the total funding that will be available to Indonesia to enable its full compliance with the reduction targets and phase-out schedule stipulated in Table I, and that no additional Multilateral Fund resources will be forthcoming for any related activities in the Refrigeration Sector. It is also understood that aside from the agency fees referred to in paragraph 10 below, the Government of Indonesia, the Multilateral Fund, and its implementing agencies will neither request nor provide further Multilateral Fund related funding for the accomplishment of the total phase-out of CFCs in the Refrigeration Sector in Indonesia.

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 and other requirements outlined in this Agreement, the Implementing Agency and the Multilateral Fund will withhold 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 the 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, the Multilateral Fund will reduce the subsequent tranches and therefore the total funding for Annex A, Group I substances in the amount of US\$9,800 per ODP tonne (double the overall cost effectiveness of the programme) of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

Support cost fees for UNDP and the World Bank of five per cent of the annual funding for project implementation and monitoring and nine per cent of the annual funding for all other activities have been agreed in accordance with the provisions of this Agreement, and distributed as shown in Table 1. As implementing agencies, UNDP and the World Bank will be responsible for the following:

Ensuring performance and financial verification of the sub-sector(s) for which they are responsible, including provision of assistance to the Government of Indonesia as specified in the sub-sector plan(s), in accordance with specific agency procedures and requirements;

Providing subsidiary reports for inclusion in an annual consolidated report on implementation, for submission to the Executive Committee, including verification that the relevant overall control targets listed Table 1 have been met and programmed activities completed, starting with the 2003 annual implementation programme prepared in 2002; and

Providing all required input in relation to their sub-sectors for inclusion in consolidated annual implementation programmes for submission to the Executive Committee.

Ensuring performance and financial verification of the sub-sector(s) for which they are responsible, including provision of assistance to the Government of Indonesia as specified in the sub-sector plan(s), in accordance with specific agency procedures and requirements.

Annex IX

**AGREEMENT FOR THE NATIONAL CFC PHASE-OUT PLAN FOR NIGERIA
(DRAFT)**

The Executive Committee approves in principle a total of \$13,160,386, excluding agency support costs, in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I, chemicals in Nigeria. This together with the Japan bilateral project approved at the 38th Meeting is the total funding that would be available to Nigeria from the Multilateral Fund for the total elimination of the use of Annex A, Group I, chemicals in Nigeria. 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. This agreement is being approved by the Executive Committee without prejudice to the operation of the Montreal Protocol mechanisms for dealing with non-compliance.

By this Agreement, Nigeria commits that in exchange for the funding level specified below in Table 1, it will eliminate its total Annex A, Group I CFC consumption in accordance with the annual consumption limits given in Table 1 and the performance targets in this Agreement and as detailed in the annual implementation programmes.

Table 1: Funding levels and profile under the National CFC Phase-out Plan

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL	
Montreal Protocol consumption limits (ODP tonnes)	3,650	3,650	3,650	3,650	3,650	1,825	1,825	547.5	547.5	547.5	0	n/a	
Reported/Expected Consumption ODP tonnes	4094.8*	4,115.5	3,686.2	-	-	-	-	-	-	-	-	-	
Maximum allowable total consumption (ODP tonnes)	-	-	-	3,352.7	3,137.0	1,725.4	1,015.9	507.6	286.1	86.1	0	-	
Reduction from ongoing projects (ODP tonnes)	171.3	429.3	333.5	194.2	566.4	0.0	0.0	0.0	0.0	0.0	0	1694.0	
New reduction under plan (ODP tonnes)	0.0	0.0	0.0	0.0	845.3	688.0	491.8	200.0	200.0	64.6	0	2,489.7	
Ineligible ODS reduction (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5	
Reduction for I.S. component (@\$12.1 per kg (ODP tonnes))	0.0	0.0	0.0	21.5	0.0	21.5	0.0	21.5	0.0	21.5	0	86.0	
Total annual reduction	171.3	429.3	333.5	215.7	1,411.6	709.5	508.3	221.5	200.0	86.1	0	4,286.8	
Annual funding instalments where applicable in \$	UNDP agreed funding	-	-	5,013,929	2,976,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	12,193,400
	UNDP support costs	-	-	449,318	264,834	183,863	69,261	42,146	32,770	28,228	8,290	0	1,072,230
	UNIDO agreed funding	-	-	682,386	255,000	-	-	-	-	-	-	0	937,386
	UNIDO support cost	-	-	82,521	33,150	-	-	-	-	-	-	0	115,671
	Total agreed funding	-	-	5,696,315	3,231,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	13,130,786
	Total agency support cost	-	-	530,359	297,984	183,863	69,261	42,146	32,770	28,228	8,290	0	1,192,901
	Total cost to MLF	-	-	6,226,674	3,529,811	2,261,004	866,383	531,327	417,770	369,428	121,290	0	14,323,687

* The starting point for reductions in consumption is the 1999 reported data of 4268.8 ODP tonnes.

Notes: A breakdown of the above table showing details by sector is shown in Table 2 at the end of this Agreement.

In order to assist Nigeria in establishing its implementation structure within the country, achievement of Nigeria's 2003 reduction targets, and to initiate measures necessary to meet the other reduction targets included in Table 1, the Executive Committee decides at its 38th Meeting to provide \$5,725,915 plus agency support costs to Nigeria.

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

Achievement of the consumption limits and reductions specified in Table 1 and the other performance requirements contained in this agreement;

Compliance with the performance indicators contained in relevant annual implementation programme; and

Approval of annual implementation programme for the following year.

Thus, for example, the payment indicated in year 2002 will be for activities to be implemented in 2003, and so on. The Executive Committee will strive to provide the specified funding at the last meeting of the year concerned.

Payments noted in Table 1, other than the payments in 2002 and 2003, 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 the amounts specified for CFC phase-out have been achieved, and that a substantial proportion of the activities planned for the previous year were undertaken in accordance with the annual implementation plan.

For example, payment in 2004 for the 2005 implementation programme will be conditional on satisfactory verification that Nigeria has, as a minimum: met its consumption targets for 2003 as specified in Table 1, and; completed any 2002 implementation activities and the 2003 activities planned for completion before the 2003 reporting date. Payment in 2005 for the 2006 implementation plan will be released based on confirmation that the 2004 consumption targets have been met, and so on for future years.

The Government of Nigeria agrees to ensure accurate monitoring of the phase-out. The Government of Nigeria will provide regular reports, as required by its obligations under the Montreal Protocol and this Agreement. Consumption figures reported under this Agreement will be, as a minimum, consistent with Nigeria'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 no later than 1 September of each year.

The Government of Nigeria 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 reduction targets and 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.

The National CFC Phase-out Plan for Nigeria may include estimates of specific funds that are thought to be needed for specific items. Notwithstanding this, the Executive Committee wishes to provide Nigeria 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 Nigeria pursuant to this Agreement may be used in any manner consistent with this Agreement that Nigeria believes will achieve the smoothest possible CFC phase-out, consistent with operational procedures as agreed between Nigeria, UNDP as the lead implementing agency, and UNIDO as co-implementing agency, in the National CFC Phase-out Plan for Nigeria as revised and as indicated in the annual implementation programmes. In the Executive Committee's acknowledgement of the flexibility available to Nigeria to achieve a complete CFC phase-out, it is noted that Nigeria 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.

The Government of Nigeria agrees that the funding agreed in principle by the Executive Committee at its 38th Meeting for complete phase-out of consumption of Annex A, Group I substances is the total funding that will be available to Nigeria 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 13 below, the Government of Nigeria, 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.

The Government of Nigeria agrees that if the Executive Committee meets its obligations under this Agreement, but Nigeria does not meet the phase-out and reduction requirements outlined in Table 1, and other requirements outlined in this document, the implementing agency and the Multilateral Fund will withhold funding for subsequent tranches of funding stipulated 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 of its obligations by both the Government of Nigeria and the Executive Committee of their obligations. In addition, Nigeria understands that with respect to all calendar year targets beginning with 2003, as set out in paragraph 2 of this agreement, the Multilateral Fund will reduce the subsequent tranche and therefore the total funding for Annex A, Group I substances phase-out on the basis of \$10,540 per ODP tonne of reduction not achieved in any year unless the Executive Committee decides otherwise.

For UNDP, 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. Since UNIDO's activities consist of two terminal projects with no management components, the support costs are calculated separately, using 13 per cent for the first \$500,000 and 11 per cent thereafter for each individual project, with the required adjustment for the retroactive component (6 per cent) of the refrigeration project.

The components of National CFC Phase-out Plan related to the phase-out plan for the foam manufacturing sector and for the refrigeration-servicing sector were prepared with the assistance

of UNDP and the phase-out plan for the refrigeration manufacturing sector and the aerosol sector were prepared with assistance from UNIDO. UNDP, as the lead implementing agency, will assist the Government of Nigeria to carry out all activities required to achieve the above targets and implement the overall National CFC Phase-out Plan, and also activities related to policy and regulatory development. UNIDO, as a co-implementing agency, will provide necessary support and assistance to Nigeria for activities related to the refrigeration manufacturing sector and aerosol sector.

As the lead implementing agency, UNDP will be responsible for the following:

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 Nigeria, as revised;

Providing verification to the Executive Committee that the consumption targets listed in Table 1 and the associated annual activities have been met;

Assisting Nigeria in preparation of annual implementation programmes;

Ensuring that achievements in previous annual programmes are reflected in future programmes;

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;

Ensuring that technical reviews undertaken by UNDP are carried out by appropriate independent technical experts;

Carrying out required supervision missions;

Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;

Verification for the Executive Committee that national Annex A, Group I consumption for Nigeria has been completed based on the schedules listed in Table 1;

Ensuring that disbursements are made to Nigeria based on agreed performance targets in the annual work programme and provisions in this Agreement; and

Providing policy development assistance when required.

UNIDO, as co-implementing agency, will:

Assist the Government of Nigeria in the implementation and verification of the activities funded by UNIDO – namely phase-out in the refrigeration manufacturing sector and in the aerosol sector; and

Provide reports to UNDP on these activities, for inclusion in the consolidated reports.

The funding components of this Agreement 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.

Table 2: Sector-wise details of funding levels and profile under the National CFC Phase-out Plan

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
Montreal Protocol consumption limits (ODP tonnes)	3,650	3,650	3,650	3,650	3,650	1,825	1,825	547.5	547.5	547.5	0	N/a
Reported/Expected Consumption	4094.8*	4,115.5	3,686.2	-	-	-	-	-	-	-	-	-
Maximum allowable total consumption (ODP tonnes)	-	-	-	3,352.7	3,137.0	1,725.4	1,015.9	507.6	286.1	86.1	0	-
Reduction from ongoing projects - foam sector	167.8	426.3	310.5	179.3	552.1	0.0	0.0	0.0	0.0	0.0	0	1636
Reduction from ongoing projects - refrigeration sector	3.5	3.0	23.0	14.9	8.6	0.0	0.0	0.0	0.0	0.0	0	53
Reduction from ongoing projects - aerosol sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Total Reduction from all ongoing projects (ODP tonnes)	171.3	429.3	333.5	194.2	560.7	0.0	0.0	0.0	0.0	0.0	0	1689
New reduction under plan - foam sector	0.0	0.0	0.0	0.0	777.9	538.0	291.8	0.0	0.0	0.0	0	1607.7
New reduction under plan - refrigeration sector	0.0	0.0	0.0	0.0	15.0	150.0	200.0	200.0	200.0	64.6	0	829.6
New reduction under plan - aerosol sector	0.0	0.0	0.0	0.0	58.0	0.0	0.0	0.0	0.0	0.0	0	58
Total New reduction under plan (ODP tonnes)	0.0	0.0	0.0	0.0	850.9	688.0	491.8	200.0	200.0	64.6	0	2495.3
Ineligible ODS reduction - Foam sector	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5
Ineligible ODS reduction - refrigeration sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Ineligible ODS reduction - aerosol sector	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0.0
Total Ineligible ODS reduction (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	16.5	0.0	0.0	0.0	0	16.5
Total annual reduction (ODP tonnes) - Foam sector	167.8	426.3	310.5	179.3	1,338.0	480.0	308.3	0.0	0.0	0.0	0	3,260.2
Total annual reduction (ODP tonnes) - Refrigeration sector	3.5	3.0	23.0	14.9	23.6	150.0	200.0	200.0	200.0	64.6	0	882.6
Total annual reduction (ODP tonnes) - Aerosol sector	0.0	0.0	0.0	0.0	0.0	58.0	0.0	0.0	0.0	0.0	0	58
Reduction for I.S. component @ \$12.1 per kg	0.0	0.0	0.0	21.5	0.0	21.5	0.0	21.5	0.0	21.5	0	86
Total annual reduction (ODP tonnes) - all sectors	171.3	429.3	333.5	215.7	1,411.6	709.5	508.3	221.5	200.0	86.1	0	4,286.8

* The starting point for reductions in consumption is the 1999 reported data of 4268.8 ODP tonnes.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
UNDP agreed funding - Foam sector	-	-	4,230,000	2,420,000	1,500,000	-	-	-	-	-	0	8,150,000
UNDP agreed funding - Refrigeration Service sector	-	-	813,529	556,827	577,141	797,122	489,181	385,000	341,200	113,000	0	4,073,000
Total UNDP agreed funding (\$)	-	-	5,043,529	2,976,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	12,223,000
UNDP support costs - Foam sector	-	-	379,100	216,600	133,800	-	-	-	-	-	0	729,500
UNDP support costs - Refrigeration Service sector	-	-	70,218	48,234	50,063	69,261	42,146	32,770	28,228	8,290	0	349,210
Total UNDP support costs (\$)	-	-	449,318	264,834	183,863	69,261	42,146	32,770	28,228	8,290	0	1,078,710
UNIDO agreed funding - refrigeration manufacturing sector	-	-	682,386	-	-	-	-	-	-	-	0	682,386
UNIDO agreed funding - aerosol sector	-	-	-	255,000	-	-	-	-	-	-	0	255,000
Total UNIDO agreed funding (\$)	-	-	682,386	255,000	-	-	-	-	-	-	0	937,386
UNIDO support cost - Refrigeration manufacturing sector	-	-	82,521	-	-	-	-	-	-	-	0	82,521
UNIDO support cost - Aerosol sector	-	-	-	33,150	-	-	-	-	-	-	0	33,150
Total UNIDO support cost (\$)	-	-	82,521	33,150	-	-	-	-	-	-	0	115,671
Total agreed funding	-	-	5,725,915	3,231,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	13,160,386
Total agency support costs	-	-	531,839	297,984	183,863	69,261	42,146	32,770	28,228	8,290	0	1,194,381

Annex X

**GUIDELINES ON FUNDING OF TECHNOLOGY NOT IN THE PUBLIC
DOMAIN**

Introduction

1. Most project proposals submitted to the Executive Committee contain no disclosure of technology that is not in the public domain. Recently, however, a project proposal was submitted to the Executive Committee for consideration involving technology that the project beneficiary claimed was not in the Public Domain. In reviewing this project, it became clear that there was a need to balance the confidentiality concerns of those who prepared and submitted the project against the Executive Committee's duty to review and assess such proposals.
2. As a result of this recognition, the Secretariat had prepared for the Executive Committee a report suggesting ways for the Fund to deal with such project proposals. The report also suggested ways to minimise the possibility that Fund money would be used to infringe on any existing intellectual property rights. The Executive Committee determined, upon consideration of the report, its decision to develop Guidelines to address confidentiality, the duty to review and assess such project proposals and to minimise the potential for intellectual property infringement.
3. These Guidelines are designed to assist the Secretariat, Implementing Agencies and the Executive Committee in handling technical information related to a project proposal (a) that has commercial value (b) in respect of which the holder of that information has taken and continues to take reasonable steps to maintain confidentiality and (c) that is not publicly available through general knowledge or publication ("Technical Information not in the Public Domain"). These Guidelines are also designed to minimise the risk that Fund money will be used to infringe on any existing intellectual property rights.
4. One of the objectives of these Guidelines is to protect, to the extent practicable, Technical Information not in the Public Domain while ensuring that the Executive Committee, with the assistance of the Secretariat, receives full and fair disclosure of all aspects of a project proposal necessary to assure its eligibility for funding. This objective is implemented by combining a "need to know" principle, under which Technical Information not in the Public Domain is disclosed only as required, and transparency, which requires that the Secretariat and the Executive Committee have available all information that may be relevant to reviewing and considering a project proposal.
5. As a general rule, all information contained in a project proposal will be considered not to be Technical Information not in the Public Domain. No obligation of confidentiality will arise with respect to the information in the project proposal except in accordance with and to the extent granted by these Guidelines.

6. Nothing in these Guidelines preclude the Secretariat from requesting any information, including but not limited to Technical Information not in the Public Domain, in order to assist it in the review of a project proposal.

7. These Guidelines deal with claims that Technical Information not in the Public Domain are to be treated confidentially. They do so in three parts. Part I deals with the preparation of project proposals and the identification of Technical Information not in the Public Domain. Part II deals with the review by the Secretariat of information that includes Technical Information not in the Public Domain contained in a project proposal including through the use of external experts. Part III deals with requests by members of the Executive Committee to review Technical Information not in the Public Domain.

Part I : Preparation of Project Proposals

8. It is the responsibility of the relevant Implementing Agency, requesting country and enterprises therein to clearly and specifically identify in the project proposal all Technical Information not in the Public Domain that they desire to be subject to these Guidelines (“Identified Technical Information”) for instance, through use of highlighting, bold print, highlighted box, etc.

9. The project proposal should only include all the Technical Information not in the Public Domain that is required to support the proposal. The project proposal should also include a list of all other relevant Technical Information not in the Public Domain in a manner that does not disclose this information but that provides a sufficient description of it to permit the Secretariat to determine whether it requires access to some or all this information to complete the review process.

10. The relevant Implementing Agency has the responsibility for conducting adequate due diligence to minimise the risk that any technology funded by the Fund will be used to infringe an intellectual property right. The level of due diligence required will vary depending on circumstances such as whether the technology is developed in-house, is widely licensed and where it will be used. For most widely licensed technology, the Implementing Agency will easily be able to satisfy itself of the right to use the technology.

11. For technology that is developed either in-house or is not generally available on the market, the Implementing Agency may be required, in conformity with the general obligation set out in paragraph 10, to seek a letter from local counsel opining as to the non-infringement of any known intellectual property right caused by the use of that technology. Where the technology is being used in products being exported, the Implementing Agency should, in addition to this letter, seek the assurance of the exporter that the technology does not infringe on any intellectual property rights in any country to which the product will be exported and that the exporter will take all measures necessary to ensure that it has a license to any needed intellectual property right in all countries to which the product will be exported.

Part II: Assessment by Secretariat

(a) Internal use of Identified Technical Information

12. As staff of the Secretariat are bound by United Nations contracts and staff rules that provide for the maintenance of confidential information, the Secretariat may freely disclose any Identified Technical Information to any staff member.

13. The Secretariat will, from time to time in accordance with good practice, remind staff members of their obligations of confidentiality.

14. If, in its review of any project proposal that contains a list of Technical Information not in the Public Domain that has not been included in the project proposal, the Secretariat determines that it requires access to such Technical Information not in the Public Domain, it may request the Implementing Agency or the country in question to supply it with this information before proceeding further with its review.

15. Upon receipt of a request to supply Technical Information not in the Public Domain that was not disclosed in a project proposal, the Implementing Agency or country in question may either supply this Technical Information not in the Public Domain or decline to do so. In the latter case, the Secretariat will report accordingly to the Executive Committee, including, if relevant, its inability to complete the review process.

16. Any Technical Information not in the Public Domain provided as contemplated in paragraph 15 will be treated in the same manner as Identified Technical Information not in the Public Domain included in the original project proposal.

(b) Disclosure to external experts

17. In conducting its review of a project proposal, the Secretariat may, from time to time, require the assistance of a technical expert. In these circumstances, the Secretariat may need to disclose Identified Technical Information contained in the project proposal to the expert.

18. In some fields of expertise, there are few experts with sufficient depth and breadth of knowledge to assist the Secretariat in its review of a project proposal. These experts are often in high demand and will have or may in the future work with competitors of the enterprise from which the Identified Technical Information originates. In these circumstances, there is a need to balance the confidentiality requirements of the enterprise against the requirement of retaining the assistance of technically competent experts.

19. As a first step in achieving this balance, the Secretariat will only disclose such Identified Technical Information to external experts on a need-to-know basis as determined by the Secretariat.

20. As a second step in this regard, the Secretariat will only disclose Identified Technical Information to an external expert after that expert has agreed to comply with reasonable confidentiality provisions. These provisions must balance the needs of the originator of the Identified Technical Information to confidentiality against the expert's need to be able to continue to provide technical advice to other including to competitors of the originator. Thus, the confidentiality provisions should limit themselves to the Identified Technical Information and may provide the expert with the right to use information that is otherwise in the public domain or that is independently created by the expert even if this information is similar to the Identified Technical Information. Sample provisions are provided in Appendix A to these Guidelines.

21. Upon completion of the external expert's work assisting the Secretariat with the review of a project proposal, the expert should return all copies of the Identified Technical Information in his or her possession and destroy all electronic copies of this information.

22. Any obligation imposed on external experts with respect to confidentiality is subject to local laws and court or arbitral decisions requiring disclosure.

Part III : Review by Executive Committee

(a) Determination by Secretariat

23. Prior to submitting its recommendations and information concerning a project proposal to the Executive Committee, the Secretariat will review the Identified Technical Information contained in a project proposal to determine whether that information ought to be included in its initial submission to the Executive Committee. In making this determination, the Secretariat will balance the need to maintain the confidentiality of the Identified Technical Information against the Executive Committee's need to be briefed in appropriate detail. Initially, the Secretariat will only disclose Identified Technical Information to the Executive Committee that it considers is essential to enable the Executive Committee to take a decision.

24. Whenever the Secretariat determines that it need not disclose Identified Technical Information to the Executive Committee, it will note this fact in its recommendations to the Executive Committee.

25. If the Secretariat determines that it needs to disclose Identified Technical Information to the Executive Committee, it will inform the Implementing Agency of this determination.

26. The Implementing Agency, in consultation with the country from which the project proposal originated, will inform the Secretariat either of its agreement that the Secretariat disclose the requested Identified Technical Information to the Executive Committee without restriction or its disagreement. The Secretariat will report the latter to the Executive Committee, including if appropriate, a statement that it is unable to make a positive recommendation.

(b) Request from Executive Committee

27. Any member of the Executive Committee may, at any time, request that the Secretariat disclose to the entire Executive Committee any Identified Technical Information contained in a project proposal. Until such a request is either complied with or withdrawn, the Executive Committee will suspend consideration of the project proposal.
28. Upon receipt of a request under paragraph 27, the Secretariat will inform the relevant Implementing Agency of the request from the Executive Committee.
29. The Implementing Agency, in consultation with the country from which the project proposal originated, will either agree to the disclosure to the Executive Committee of the requested Identified Technical Information without restriction or will inform the Secretariat that the Secretariat may not disclose the Identified Technical Information to the Executive Committee.
30. If the Implementing Agency consents to the disclosure of Identified Technical Information to the Executive Committee without restriction, the Secretariat will disclose the Identified Technical Information to the Executive Committee. In doing so, the Secretariat will point out the confidential nature of the Identified Technical Information to the Executive Committee. Nevertheless, the disclosure of the Identified Technical Information to the Executive Committee creates, in itself, no legal obligation on behalf of the members of the Executive Committee.
31. If the Implementing Agency does not consent to the disclosure of the Identified Technical Information to the Executive Committee, the Secretariat will inform the Executive Committee of this decision. Unless the Executive Committee withdraws its request to have the Identified Technical Information disclosed to it, the project proposal will be deemed to have been withdrawn.

