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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Thirty-eighth Meeting
Rome, 20-22 November 2002

Corrigendum

REPORT OF THE THIRTY-EIGHTH MEETING OF THE EXECUTIVE COMMITTEE

Agreement for phase-out in the refrigeration sector in Indonesia, Annex XI, page 2

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

- **Replace** the row for annual CFC consumption limit in the refrigeration sector (ODP tonnes) **with:**

	2002	2003	2004	2005	2006	2007	2008	Total
Annual CFC Consumption limit in the Refrigeration Sector (ODP tonnes)	n.a.	3,218	2,908	2,298	1,588	856	0	n.a.



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**REPORT OF THE THIRTY-EIGHTH MEETING OF THE EXECUTIVE COMMITTEE
OF THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE
MONTREAL PROTOCOL**

Introduction

1. The 38th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the Palazzo Confindustria, Rome, from 20 to 22 November 2002, and was preceded by the 27th Meeting of the Sub-Committee on Project Review held at the same venue on 18 and 19 November and by the 18th Meeting of the Sub-Committee on Monitoring, Evaluation and Finance, held also at the same venue on 18, 19 and 20 November 2002.
2. The Meeting was attended by representatives of the following countries members of the Executive Committee, in accordance with Decision XIII/27 of the 13th Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Canada, Finland, France, Japan (Vice-Chair), Netherlands, Poland and United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Burundi, China, Colombia, El Salvador, Nigeria (Chair), Syrian Arab Republic and United Republic of Tanzania.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as

Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.

4. The President of the Bureau and a representative of the Implementation Committee attended as observers.

5. The Executive Secretary of the Ozone Secretariat was also present.

6. The Meeting was also attended by a representative of the European Community as an observer.

7. The Meeting was attended by representatives of the Alliance for Responsible Atmospheric Policy and the Environmental Investigation Agency as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

8. The Meeting was opened at 10:00 a.m. on Wednesday, 20 November 2002, by the Chair, Mr. O. A. Afolabi (Nigeria), who welcomed participants.

9. Mr. Roberto Tortoli, Under-Secretary of State at the Ministry of the Environment and Territory of Italy, expressed his great pleasure to be opening the 38th Meeting of the Executive Committee. He offered all present a very warm welcome to Italy and to the city of Rome, on behalf of his Ministry and the whole Government of Italy, saying that all were delighted to host the Executive Committee Meeting and the forthcoming 14th Meeting of the Parties in Rome and to celebrate the 15th anniversary of the Montreal Protocol.

10. He said that at the present moment, the issue of environmental protection was becoming of fundamental importance, with its inclusion in traditional domestic and international social and economic policies being considered essential for the achievement of a cleaner environment. The World Summit on Sustainable Development, held in Johannesburg the previous September, had reiterated that concept and drawn countries' attention to the urgency of strengthening cooperation and creating a new and more effective partnership model.

11. The challenge of stronger global cooperation between developed and developing countries required a shared responsibility, with the developing countries recognizing that they had a primary responsibility for their own economic and social development, and developed countries committing to international financial and technical cooperation for sustainable development. The partnership model suggested was a global one, entailing, inter alia, availability of financial resources, increase in local government capacity, and transparency and monitoring of financial and technical assistance, all necessary conditions for lasting sustainable development.

12. The Montreal Protocol had always been seen as one of the United Nations' most successful international agreements and the Multilateral Fund as a living model for successful international cooperation between developing and developed countries. Italy considered the

work done so far under the Multilateral Fund of the Montreal Protocol to be a very good example of partnership, which to some extent had anticipated the outcome of Johannesburg.

13. The Executive Committee of the Multilateral Fund, composed of equal members of representatives from developing and developed countries, granted money collected from the developed countries to developing countries, with no condition except effective utilization of funds and no discrimination except on the basis of need. Moreover, the country-driven approach recently adopted by the Multilateral Fund had further recognized the responsibility of each country to protect the ozone layer and the environment, allowing developing countries more flexibility in utilizing funds based on the strategy best suited to their local conditions. Acting locally while thinking globally.

14. Italy endorsed and supported that belief, understanding also that, more than ever in today's international context, the Multilateral Fund was called upon to continue to be the promoter of that successful approach. With that in mind, Italy was ready to contribute to the process of providing, through the 2003 – 2005 replenishment, what was needed to allow Article 5 countries to achieve locally the phase-out of ozone-depleting substances and globally the recovery of the ozone layer, in compliance with the Montreal Protocol's provisions.

15. Italy strongly supported all the efforts being undertaken by bilateral and multilateral implementing agencies and was very glad to take an active part in the Multilateral Fund's cooperation process through the implementation of bilateral projects.

16. In conclusion, he expressed the sincere esteem of the Government of Italy to Dr. Omar El-Arini for his continuous hard work as Chief Officer of the Multilateral Fund and for the effective and concrete results that the Fund had achieved under his coordination. He wished all participants a successful meeting, and hoped that they would have an opportunity to visit and enjoy the beauties of the Italian environment.

17. In his opening remarks, the Chair expressed appreciation for the objectivity, harmony of purpose and sense of family that had prevailed in the deliberations during his term of office. He noted with satisfaction the implementation, in the current year, of Decision 35/57 which provided a sound basis for compliance enablement, funding requirements, removal of baseline ambiguity and compliance monitoring. He also observed that the Executive Committee had been able to consider new business planning for the Multilateral Fund and agencies' shares and support costs. He drew attention to the important sectoral and national phase-out plans included in the business plans to be considered at the current meeting and expressed the hope that the Executive Committee would approve the performance-based agreement guidelines that would further its course in meeting the objectives of the next three-year phase-out plan.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

18. On the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/38/1/Rev.1, the Executive Committee adopted the following agenda:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Report of the 18th Meeting of the Sub-Committee on Monitoring, Evaluation and Finance on:
 - (a) Report on the implementation of the Monitoring and Evaluation Work Programme for the year 2002:
 - (i) Final report on the evaluation of the aerosol projects;
 - (ii) Evaluation report on MAC projects in India: follow-up to Decision 37/5 (c);
 - (iii) Consolidated project completion report: follow-up to Decisions 26/11 and 35/8;
 - (b) Draft Monitoring and Evaluation Work Programme for the year 2003;
 - (c) Project implementation delays;
 - (d) Project balances;
 - (e) Project cancellations in light of country compliance (Decision 37/8 (h));
 - (f) 2001 Accounts of the Multilateral Fund: follow-up to Decision 37/9 (b);
 - (g) Proposed budget of the Fund Secretariat for the year 2003.

6. Report of the 27th Meeting of the Sub-Committee on Project Review on:
 - (a) Overview of issues identified during project review;
 - (b) Bilateral cooperation;
 - (c) 2002 work programme amendments;
 - (d) Work programme of UNEP for the year 2003;
 - (e) UNEP's preliminary report on the use of the programme support cost (Decision 35/36 (b));
 - (f) Investment projects;
 - (g) Funding of technology that is not in the public domain: follow-up to Decision 37/62.
7. Refrigerant management plans and terminal phase-out management plans (Decision 37/70 (a)).
8. Strategic Planning of the Multilateral Fund:
 - (a) Revised guidelines for the preparation, implementation and management of performance-based sector and national ODS phase-out plans: follow-up to Decision 37/67;
 - (b) 2003-2005 phase-out plan for the Multilateral Fund (Decision 37/68 (b));
 - (c) Administrative support costs and agency shares;
 - (d) Performance indicators.
9. Country programmes and updates.
10. Report of the Executive Committee's Subgroup on Production Sector.
11. Report of the Executive Committee to the Fourteenth Meeting of the Parties.
12. Report of the Fund Secretariat on the technical workshop on concessional lending (Decision 35/61 (d)).
13. Framework for an information strategy for the Multilateral Fund (Decision 37/1 (b)).
14. Communication Strategy for global compliance with the Montreal Protocol (Decision 37/72 (b)).

15. Report of the Chairman of the Executive Committee on the status of implementation of Decision 36/57.
16. Other matters.
17. Adoption of the report.
18. Closure of the meeting.

(b) Organization of work

19. The Executive Committee agreed that item 6, “Report of the 27th Meeting of the Sub-Committee on Project Review,” would cover an issue dealing with support costs for UNIDO relating to a refrigerant management plan approved at the 37th Meeting of the Executive Committee, and that item 16, “Other matters”, would include sub-items covering the operation of the monitoring and evaluation function of the Secretariat; access to past Executive Committee documents by members of the Executive Committee through the website; and the question of destruction of CFCs.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

20. The Chief Officer introduced the report on the various activities undertaken by the Secretariat since the 37th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/38/2), and reiterated his expression of thanks to the Government of Italy for its generous hospitality and its contribution of 354,731 Euros towards hosting the current meeting in Rome. He noted that examination of the projects submitted to the current Meeting had been a major task, owing to the number of sectoral and national plans involved. A major policy paper, on funding of technology not in the public domain, had been completed in time for the current Meeting. He also said that the work on implementation of the Framework of the Strategic Planning of the Fund was almost completed, with the submission to the current Meeting of the two documents on the three-year phase-out plan for the Multilateral Fund and on the support cost of the implementing agencies and agencies’ shares.

21. In relation to the production sector, the Secretariat had concluded the bidding for the contract to conduct technical audits of CTC production in India. Relevant data had very recently been received from the representative of China, and a contract covering CTC/TCA production in China would be concluded immediately after the current Meeting. An evaluation team had examined MAC and halon projects in India. The Secretariat had continued its examination of the fixed-exchange-rate mechanism, with a view to finalizing the study for submission to the 14th Meeting of the Parties.

22. Together with the Chair of the Executive Committee, the Chief Officer had visited Egypt for meetings with the Minister of the Environment and other senior Government officials to review that country’s phase-out programme, to visit a methyl bromide project and to attend Ozone Day celebrations. That visit had highlighted the importance of South-South technology transfer. With the Chair and the Vice-Chair, he had also visited Japan for meetings with the

Minister of the Environment and other senior government officials, two members of the Diet, representatives of industry associations, academia and non-governmental organizations. The visit had provided an opportunity to learn about the commitment of the Government of Japan to the protection of the ozone layer. With the Chair and the Vice-Chair, he had also visited China, and the visit had included: meeting with the Minister and Vice-Minister of the Environment; a visit to various industrial enterprises; and the making of a statement at the second GEF Assembly Meeting. He expressed the view that visits to Article 5 countries by senior Executive Committee or Secretariat officials were valuable and should be encouraged, particularly in the current compliance phase.

23. Echoing that view, the representative of China expressed gratitude for the visit to his country. Visits by high-level officials assisted local officials in obtaining Government support for their endeavours. The representative of Japan also expressed appreciation, saying that the visit had assisted the efforts of Japan to maintain awareness in the public of the problems of the ozone layer. The representative of Colombia also supported the view that such visits to Article 5 countries were of value, saying that they should be organized on a more systematic basis. The representative of Tanzania expressed appreciation for the officers' visit to Egypt, stressing the importance of such visits for assisting in the implementation of projects.

24. The Executive Committee took note with appreciation of the report of the Chief Officer.

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

25. The Treasurer introduced the report on the status of the Fund as at 20 October 2002 (UNEP/OzL.Pro/ExCom/38/3). As at that date, having taken into account resource transfers covering all the approvals of the Executive Committee including those from its 37th Meeting, the balance of the Multilateral Fund stood at US \$85.2 million. The shortfall due to the implementation of the fixed-exchange-rate mechanism stood at US \$19,133,000, which had been appropriately factored into the determination of the Fund balance.

26. Since the completion of the report, several additional contributions had been received, which would be reflected in the status report.

27. The Treasurer also noted that those changes had had a positive impact on contributions due to the fixed-exchange-rate mechanism, resulting in a decrease in the overall shortfall due to that mechanism. He also pointed to the reconciliation efforts which also resulted in additional resources available at the 38th Meeting.

28. He noted that the changes he had described, and any additional payments that might be received before the conclusion of the Meeting, would be reflected in the usual manner in its report.

29. In response to a question, the Treasurer clarified that the reconciliation exercise was mandated on the basis of a comparison between the implementing agencies' progress reports and the income received in the Accounts of the Fund, which were based on different methodologies.

30. In reply to one representative, who required further information concerning some earlier questions on financial matters, the Treasurer undertook to determine bilaterally what further information the representative needed.

31. Following a discussion, the Executive Committee decided:

- (a) To note with appreciation the Treasurer's report, including tables showing the updated status of the Fund as at 22 November 2002 and reproduced in Annex I to the present report;
- (b) To request the Treasurer:
 - (i) To include an explanatory section on "Methodology and Assumptions" with future reports;
 - (ii) To carry out a reconciliation every year;
 - (iii) To include in his report to each meeting of the Executive Committee the value of the promissory notes as at the date of that meeting.

(Decision 38/1)

AGENDA ITEM 5: REPORT OF THE EIGHTEENTH MEETING OF THE SUB-COMMITTEE ON MONITORING, EVALUATION AND FINANCE

32. The representative of the Syrian Arab Republic, Chair of the Sub-Committee on Monitoring, Evaluation and Finance (composed of Canada, El Salvador, Finland, Netherlands, Nigeria, Syrian Arab Republic, and United Republic of Tanzania) introduced the report of the Sub-Committee on its 18th Meeting, held in Rome from 18 to 20 November 2002 (UNEP/OzL.Pro/ExCom/38/4), which contained the Sub-Committee's recommendations on the following issues:

- (a) Report on the implementation of the Monitoring and Evaluation Work Programme for the year 2002 on:**
 - (i) Final report on the evaluation of the aerosol projects**

33. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 6 to 11), the Executive Committee decided:

- (a) To take note of the final report on the evaluation of aerosol projects (UNEP/OzL.Pro/ExCom/38/5 and Corr.1);
- (b) To request implementing agencies to assess in each future project the feasibility of retrofitting the CFC-gasser equipment, the liquid filler and the crimper and to justify cases where that was not deemed to be possible;

- (c) To apply Decision 17/15, paragraph 24 (c), not only to contract aerosol fillers, but also, in certain cases, to other newly converting fillers, reading: “to recognize that savings resulting from CFC phase-out for contract **and, in certain cases, other** aerosol fillers, and in circumstances where a parallel market exists, may accrue to the national economy but that quantifying these savings is analytically difficult and applying these savings at the project level may not always be feasible.” (changes to Decision 17/15 marked in bold);
- (d) To request:
- (i) UNIDO to find ways to allow the beneficiary to pay the cost difference for equipment from high-priced bidders if the company insisted on it and provided sufficient guarantees for timely payment;
 - (ii) The implementing agencies:
 - To ensure that in the bidding specifications, the provision of manuals in a language understood by the engineers of the beneficiary company was foreseen, as well as interpreters during equipment installation, if necessary;
 - To take the necessary measures to ensure that a fair and equitable opportunity was given to all competent suppliers, regardless of location, in the procurement of goods and services for aerosol sector projects;
 - To analyze the current procurement procedures and consider ways and means, within the limitations of their contracting procedures, to include as much input as possible from the country and the beneficiary company concerned when composing the list of potential bidders being considered for all projects, and request them, together with the Secretariat, to report on the progress made in the implementation of sub-paragraph (ii);
 - (iii) UNEP, in consultation with the Secretariat and the other implementing agencies, to prepare, translate and distribute an up-to-date manual on safety, formula adaptations, and effective destenching methods for aerosol production using Hydrocarbon Aerosol Propellants (HAP).

(Decision 38/2)

(ii) Evaluation report on MAC projects in India: follow-up to Decision 37/5 (c)

34. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 12 to 15), the Executive Committee decided:

- (a) To take note of the findings and conclusions of the evaluation report on MAC projects in India (UNEP/OzL.Pro/ExCom/38/6), and the information provided by the representative of the World Bank that all facilities for the production of CFC-based MAC systems at Subros Ltd. in India (IND/REF/11/INV/12) would be dismantled by May 2003;
- (b) To encourage the Government of India to consider promoting the retrofitting of old cars with HFC-134a-based MAC systems by means of economic incentives.

(Decision 38/3)

(iii) Consolidated project completion report: follow-up to Decisions 26/11 and 35/8

35. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 16 to 18), the Executive Committee decided:

- (a) To take note of the consolidated project completion report (UNEP/OzL.Pro/ExCom/38/7 and Add.1), including the schedule for submission of project completion reports (PCRs) due in 2003;
- (b) To request the implementing agencies, in cooperation with the Multilateral Fund Secretariat, to establish by the end of March 2003 full consistency of data reported in the PCRs, the Inventory of Approved Projects, and the Annual Progress Reports;
- (c) Also to request the implementing agencies to provide final financial figures on actual expenditures of financially completed projects for projects that were to be evaluated, as required by the Senior Monitoring and Evaluation Officer, instead of updating all PCRs;
- (d) To encourage the implementing agencies to provide in future project completion reports insight into the project history, the problems encountered and resolved, and the lessons learned in the process leading to a substantive analysis of projects.

(Decision 38/4)

(b) Draft monitoring and evaluation work programme for the year 2003

36. Having considered the recommendation of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraph 20), and its decision concerning the

procedural issue to be discussed at its 19th Meeting (UNEP/OzL.Pro/ExCom/38/4, paragraph 22), the Executive Committee decided to approve the proposed 2003 work programme for monitoring and evaluation at a budget of US \$198,000, as indicated in document UNEP/OzL.Pro/ExCom/38/8, and request that work be initiated using the same procedures that had been utilized for such evaluations during 1999, 2000 and 2001.

(Decision 38/5)

(c) Project implementation delays

37. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 23 to 25), the Executive Committee decided:

- (a) To note:
 - (i) The document on project implementation delays (UNEP/OzL.Pro/ExCom/38/9);
 - (ii) With appreciation the reports submitted to the Secretariat on projects with implementation delays and additional status reports provided by Belgium, France, Germany, Poland and the four implementing agencies;
 - (iii) That the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments as required;
 - (iv) The completion of the following two projects in November 2002: Elimination of the use of CFC-113 and Methyl Chloroform in the color picture tube cleaning process at the Shanghai Novel CPT Corp factory (CPR/SOL/19/INV/171), and Elimination of ODS (CFC-113) used in the production line at FUJIAN PUTIAN VIKAY Electronics Co. Ltd. (CPR/SOL/23/INV/224), both implemented by UNDP;
 - (v) The deadline of June 2003 for the milestone of relocation of the enterprise, provided by the World Bank at the meeting, for the Chandra refrigeration project in India (IND/REF/19/INV/92), with a report on achievement of the milestone to be submitted by the World Bank to the Executive Committee at its 40th Meeting;
- (b) To cancel the following projects through mutual agreement:
 - (i) Conversion to non-CFC technology in the manufacture of integral skin and flexible moulded foam at STRAPUR in Argentina (ARG/FOA/23/INV/62), implemented by UNDP, due to the company

- stopping operations, noting that US \$32,120 of the US \$125,420 approved for the project had been disbursed;
- (ii) Elimination of the use of CFCs in the manufacture of rigid foam blocks for insulated trailers at FRUEHAUF in Argentina (ARG/FOA/23/INV/65), implemented by UNDP, due to bankruptcy, noting that US \$134,235 of the US \$136,725 approved for the project had been disbursed;
 - (iii) Replacement of 1,1,1-trichloroethane sheet steel cleaning system on the steel sheet-cutting table with an aqueous-mechanical system in the steel enterprise Siderar, SAIC in Argentina (ARG/SOL/28/INV/90), implemented by the World Bank, noting that no funds for the project had been disbursed;
 - (iv) Elimination of CFCs 11 and 12 in the manufacture of domestic freezers at DEBAO Refrigeration Equipment Co. Ltd. in China (CPR/REF/23/INV/233), implemented by UNDP, due to bankruptcy, noting that US \$524,471 of the net US \$553,006 approved for the project had been disbursed;
 - (v) Elimination of CFC-11 in the manufacture of flexible polyurethane foam (slabstock) at PT Irc Inoac in Indonesia (IDS/FOA/23/INV/75), implemented by the World Bank, noting that no funds for the project had been disbursed; and
 - (vi) Phase-out of CFC-11 by conversion to HCFC-141b in the manufacture of rigid polyurethane foam (sprayfoam) at PT Sentra Sukses Selalu in Indonesia (IDS/FOA/29/INV/115), implemented by the World Bank, noting that no funds for the project had been disbursed;
- (c) To request the implementing agencies to reimburse to the Multilateral Fund all remaining balances from the above projects;
 - (d) Also to request the Secretariat, in cooperation with the implementing agencies, to prepare a working paper providing options on how phase-out from cancelled projects should be recorded, for presentation to the 39th Meeting of the Executive Committee, taking into account the comments made by members during their discussion of this issue at the 37th Meeting, and inviting further input subsequent to the Meeting.

(Decision 38/6)

(d) Project balances

38. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 26 to 28), the Executive Committee decided:

- (a) To note:
 - (i) The report on project balances contained in UNEP/OzL.Pro/ExCom/38/10;
 - (ii) The levels of funds being returned to the 38th Meeting totalling US \$3,751,490 including support costs as follows by agency: US \$283,783 from UNDP and agency support costs of US \$30,468; US \$174,000 from UNEP and agency support costs of US \$22,620; US \$1,770,088 from UNIDO and agency support costs of US \$232,629, and US \$1,147,692 from the World Bank and agency support costs of US \$90,210;
 - (iii) That implementing agencies had balances totalling US \$2,422,895 excluding support costs from projects completed over two years previously: UNDP (US \$664,430 plus support costs); UNIDO (US \$1,547,147 plus support costs); and the World Bank (US \$211,318 plus support costs);
- (b) To urge implementing agencies to re-assess the status of their completed projects with balances and re-classify projects as ongoing in their reports to the 39th Meeting if Decision 28/2 had not been fully complied with and reconsider the matter if balances from projects completed two years previously did not continue to be reduced;
- (c) To withhold US \$1,159,980 from fund transfers to the World Bank at the 38th Meeting as the World Bank had not provided sufficient explanations for not returning those support costs and any further consideration of the matter should be made contingent on the World Bank providing information required by the Secretariat for its assessments of the Bank's compliance with Decision 35/13(k);
- (d) To note that the only circumstances under which it would be possible for a portion of the support costs from cancelled projects and completed projects with savings not to be returned according to United Nations practice was when a fee was paid by the implementing agency to a financial intermediary to undertake a financial evaluation of the enterprise before project implementation, and the project was subsequently cancelled.

(Decision 38/7)

(e) Project cancellations in light of country compliance (Decision 37/8 (h))

39. Having considered the comments and recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 29 and 30), the Executive Committee decided:

- (a) To authorize the Secretariat, in coordination with the country concerned and the implementing agencies, to implement the procedures for project cancellation leading to the possible automatic cancellation of projects except in those cases where the Secretariat and the implementing agency concerned did not agree to cancel the project and in those cases where the project was critical to a country's compliance with existing or future control measures of the Montreal Protocol;
- (b) To request countries with projects considered for cancellation, where the cancellation was critical to a country's compliance with existing or future control measures of the Montreal Protocol, to present its views on the cancellation along with any actions that the government would take to reactivate the project.

(Decision 38/8)

(f) 2001 accounts of the Multilateral Fund: follow-up to Decision 37/9 (b)

40. Having considered the recommendations of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 31 and 32), the Executive Committee decided:

- (a) To note the accounts as presented in Schedules 1.1-1.7 attached as Annex II to the present report;
- (b) Also to note the return to the 38th Meeting of funds for re-programming amounting to US \$11,872,332, which comprised US \$1,103,805 from UNDP, US \$123,196 from UNEP, and US \$5,271,991 from the World Bank; and US \$5,373,340 from UNIDO reverting back to the Multilateral Fund from promissory notes previously earmarked for UNIDO, as explained in UNEP/OzL.Pro/ExCom/38/12 and Corr.1;
- (c) To request the Secretariat and the Treasurer to pursue their efforts to complete the reconciliation of the accounts of UNDP and the World Bank;
- (d) Also to request that a full reconciliation of the Accounts of the Fund with the data in the implementing agencies' progress reports be presented to the third meeting of the Executive Committee each year.

(Decision 38/9)

(g) Proposed budget of the Fund Secretariat for the year 2003

41. Having considered the recommendation of the Sub-Committee on Monitoring, Evaluation and Finance (UNEP/OzL.Pro/ExCom/38/4, paragraphs 33 and 34), the Executive Committee decided to approve the revised budget for the year 2003 amounting to US \$3,303,099 and the provisions for Secretariat staff salary costs for the period 2004-2005 amounting to US \$3,182,761 as contained in Annex III to the present report.

(Decision 38/10)**AGENDA ITEM 6: REPORT OF THE TWENTY-SEVENTH MEETING OF THE SUB-COMMITTEE ON PROJECT REVIEW**

42. The representative of Colombia, Chair of the Sub-Committee on Project Review (composed of Burundi, China, Colombia, France, Japan, Poland and the United States of America) introduced the Report of the Sub-Committee on its 27th Meeting, held in Rome, on 18 and 19 November 2002 (UNEP/OzL.Pro/ExCom/38/14), which contained the Sub-Committee's recommendations on the following issues:

(a) Overview of issues identified during project review**(i) Assignment of CFC consumption between sectors**

43. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 14 and 15), the Executive Committee decided:

- (a) To stress that the assignment of CFC consumption between sectors should be strongly justified, and must be based on existing and verifiable use;
- (b) 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.

(Decision 38/11)**(ii) Countries without a compliance baseline**

44. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 16 and 17), the Executive Committee decided:

- (a) To 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) 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.

(Decision 38/12)

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

45. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 18 to 20), the Executive Committee decided to 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.

(Decision 38/13)

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

46. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 21 and 22), the Executive Committee decided to continue to consider, on a case-by-case basis, projects in which Decision 37/20 (a) was involved.

(Decision 38/14)

(b) Bilateral cooperation

47. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 23 to 25), the Executive Committee decided to 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 IV to the present report.

(Decision 38/15)

Sector plan CFC 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)

48. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraph 26), the Executive Committee decided to 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 IV to the present report, consistent with Decision 38/45.

(Decision 38/16)

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

49. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 27 and 28), the Executive Committee decided to approve the above proposal at a level of funding of US \$68,000, plus agency 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 US \$12.1/kg should be applied in accordance with Decision 35/57.

(Decision 38/17)

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)

50. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 29 and 30), the Executive Committee decided to approve the project at the level of US \$125,000, plus programme support costs, on the understanding that:

- (a) The Government of Japan would assist the Islamic Republic of 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 US \$12.1/kg should be applied to the non-LVC Party, in accordance with Decision 35/57; and
- (e) The Government of Japan 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.

(Decision 38/18)

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

51. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 31 to 33), the Executive Committee decided:

- (a) Not to approve the project;
- (b) To request Sweden to consult with UNEP 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;
- (c) To request Sweden to resubmit a revised project proposal to the Executive Committee at its 39th Meeting, incorporating the lessons learned from the first project; and

- (d) To maintain the allocated funding in Sweden's 2002 business plan.

(Decision 38/19)

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

52. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 34 and 35), the Executive Committee decided to approve the Swedish component of the national CFC phase-out plan for Philippines at the level of funding indicated in Annex IV to the present report, in accordance with the agreement between the Government of Philippines and the Executive Committee, contained in Annex V to the present report.

(Decision 38/20)

53. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraph 35), the Executive Committee decided to request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$81,000 against the balance of Germany's bilateral contributions for 2000 - 2002;
- (b) US \$1,950,000 against the balance of Italy's bilateral contributions for 2000 - 2002;
- (c) US \$218,090 against the balance of Japan's bilateral contributions for 2000 - 2002;
- (d) US \$163,716 against the balance of Sweden's bilateral contributions for 2000 - 2002.

(Decision 38/21)

(c) 2002 Work programme amendments

(i) 2002 Work programme amendments of UNDP

54. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 36 and 37), the Executive Committee decided to 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 IV to the present report.

(Decision 38/22)

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

55. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 38), the Executive Committee decided to approve the above project proposals at the level of funding indicated in Annex IV 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 VI to the present report.

(Decision 38/23)

Uruguay: MDI transition strategy

56. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 39 and 40), the Executive Committee decided to approve the project at a cost of US \$70,000, plus agency support costs.

(Decision 38/24)

Uruguay: Preparation for MDI conversion

57. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 41 and 42), the Executive Committee decided not to approve the above project.

(Decision 38/25)

Fumigant sector

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

58. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 43), the Executive Committee decided to approve the above project at the level of funding indicated in Annex IV 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 Amendment 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 for the said 20 per cent reduction;
- (d) The project would 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.

(Decision 38/26)

(ii) 2002 Work programme amendments of UNEP

59. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 44 and 45), the Executive Committee decided to 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 IV to the present report.

(Decision 38/27)

Antigua and Barbuda (phase 2): Renewal of institutional strengthening

Burkina Faso (phase 5): Renewal of institutional strengthening

Central African Republic (phase 3): Renewal of institutional strengthening

El Salvador (phase 3): Renewal of institutional strengthening

Panama (phase 3): Renewal of institutional strengthening

60. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 46), the Executive Committee decided to approve the above projects at the level of funding indicated in Annex IV 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 VI to the present report.

(Decision 38/28)

Albania: Institutional strengthening (extension of phase 1)

61. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 47 and 48), the Executive Committee decided to approve the extension of the institutional strengthening project in Albania for one year at the level of funding indicated in Annex IV 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.

(Decision 38/29)

Haiti: Institutional strengthening

62. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 49 and 50), the Executive Committee decided to approve the institutional strengthening project in Haiti for one year at the level of funding indicated in Annex IV 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.

(Decision 38/30)

Sao Tome and Principe: Institutional strengthening

63. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 51 and 52), the Executive Committee decided to approve the institutional strengthening project in Sao Tome and Principe for one year, at the level of funding indicated in Annex IV 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.

(Decision 38/31)

(iii) 2002 Work programme amendments of UNIDO

64. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 53 and 54), the Executive Committee decided to 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 IV to the present report.

(Decision 38/32)

(iv) 2002 Work programme amendments of the World Bank

65. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 55), the Executive Committee approved the following World Bank 2002 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/38/20, at the level of funding indicated in Annex IV to the present report.

Chile (phase 5): Renewal of institutional strengthening

66. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 56), the Executive Committee decided to approve the above project at the level of funding indicated in Annex IV to the present report and express to the Government of Chile its observations indicated in Annex VI to the present report.

(Decision 38/33)

China: Project preparation for CTC and TCA production closure plan

67. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 57), the Executive Committee decided to approve the above project at the level of funding indicated in Annex IV to the present report.

(Decision 38/34)

India: Project preparation for CTC production closure plan

68. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraph 58), the Executive Committee decided to approve the above project at the level of funding indicated in Annex IV to the present report.

(Decision 38/35)

(d) Work programme of UNEP for the year 2003

69. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 59 to 62), the Executive Committee decided:

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

(Decision 38/36)

70. The representative of UNEP stated for the record that the recommendation contained in paragraph 62 (b) of the report of the 27th meeting of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14) requesting UNEP to prepare unified budgets, internalizing the programme support costs, if approved by the Executive Committee, could not be implemented by UNEP for the following reasons:

- (a) The recommendation limits the authority to approve and allot programme support cost delegated to the UNEP Executive Director under United Nations Administrative Instruction ST/AI/286 which has been subsequently confirmed by the United Nations Secretary-General in ST/SGB/188;
- (b) The recommendation contradicts the United Nations Financial Rules and Regulations which stipulate that programme support cost should be budgeted and expended under the special Trust Fund Support account.

71. The representative of Japan requested clarification on the procedure used by UNEP in having accepted to establish the unified budget for the CAP in its current form, in accordance with the United Nations Rules and Regulations, and wondered why a further unified budget, as requested by the Executive Committee, could not be prepared in the same manner in which UNEP had unified the costs of the activities, including programme support costs, which had already been undertaken under the CAP.

(e) UNEP'S preliminary report on the use of the programme support cost (Decision 35/36 (b))

72. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 63 to 66), the Executive Committee decided:

- (a) To 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 the issue;

- (b) To urge UNEP to clear up its large backlog of projects as soon as possible.

(Decision 38/37)

73. The representative of Japan considered that no due procedure had yet been initiated to amend the relevant provisions of the agreement between UNEP, as Treasurer of the Multilateral Fund, and the Executive Committee which would enable the operationalization of the decision under paragraph 66 (a) of the report of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14), in accordance with the provisions of this agreement.

(f) Investment projects

(i) Projects recommended for blanket approval

74. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 67 and 68), the Executive Committee decided:

- (a) That 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 measures had been taken to ensure that 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.

(Decision 38/38)

(ii) 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)

75. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 69 and 70), the Executive Committee decided:

- (a) To 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) To agree that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of US \$922,900 plus agency support costs is approved in accordance with the agreement between the Government of Dominican Republic and the Executive Committee, contained in Annex VIII to the present report.

(Decision 38/39)

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)

76. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 71 and 72), the Executive Committee decided to approve US \$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.

(Decision 38/40)

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

77. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 73 and 74), the Executive Committee decided to approve the project component at a level of funding of US \$2,750,592, plus agency support costs, on the understanding that Egypt will:

- (a) Meet the methyl bromide freeze on 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 US \$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.

(Decision 38/41)

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

78. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 75 and 76), the Executive Committee decided:

- (a) To 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) To agree that, notwithstanding this fact, and without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, funding of US \$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 (US \$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.

(Decision 38/42)

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

79. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 77 and 78), the Executive Committee decided to approve the cut flower component (UNDP) of the above project proposal at the level of funding indicated in Annex IV to the present report, in accordance with the agreement between the Government of Kenya and the Executive Committee, contained in Annex IX to the present report.

(Decision 38/43)

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)

80. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 79 and 80), the Executive Committee decided:

- (a) To approve the 2003 work programme of the China CFC production closure programme and withhold the requested funding until the World Bank had submitted to the 39th Meeting a satisfactory verification report on the implementation of the 2002 annual programme;
- (b) To apply 7.5 per cent as agency support cost for the funds to be approved from the 2003 work programme, consistent with Decision 38/68.

(Decision 38/44)

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

81. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 81 and 82), the Executive Committee decided:

- (a) To approve in principle a total of US \$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) To approve, at the 38th Meeting, funding in the amount of US \$1,788,991 plus support cost of US \$161,009 to be offset against the bilateral contribution of Italy for 2000-2002, and US \$3,400,000 plus support cost of US \$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 domestic 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	918
Total	140	350	609	1,099

- (ii) The Executive Committee will endeavour to provide the second tranche of US \$2,171,539 plus agency support cost of US \$192,239 to UNIDO 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 lead implementing agency, UNIDO will be responsible for:
 - Providing in 2003 a work programme for the period 2004, 2005 and 2006;
 - 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 Domestic Refrigeration (Manufacturing) Sector had been completed based on the schedules listed in the table above.

(Decision 38/45)

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)

82. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 83 and 84), the Executive Committee decided:

- (a) To note 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) To approve the above project proposal at the level of funding indicated in Annex IV to the present report, in accordance with the agreement between the Government of India and the Executive Committee, contained in Annex X to the present report.

(Decision 38/46)

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)

83. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 85 and 86), the Executive Committee decided:

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

(Decision 38/47)

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)

84. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 87 to 89), the Executive Committee decided to approve the above project proposals at the level of funding indicated in Annex IV to the present report, which included the reduction of US \$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 XII to the present report.

(Decision 38/48)

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

85. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 90 to 92), the Executive Committee decided to approve the above project proposal submitted by the World Bank and Sweden at the level of funding indicated in Annex IV to the present report, in accordance with the agreement between

the Government of the Philippines and the Executive Committee, contained in Annex V to the present report.

(Decision 38/49)

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

86. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 93 and 94), the Executive Committee decided to approve the Sector Phase-out Plan for CFCs in the Refrigeration (Manufacturing) Sector in the Syrian Arab Republic at a cost of US \$1,665,188, plus support costs of US \$191,422 to UNDP and US \$353,100 plus support cost of US \$40,590 to UNIDO, with the following understanding:

- (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 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 tonnes 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 the Syrian Arab Republic 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.

(Decision 38/50)

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

87. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 95 and 96), the Executive Committee decided to approve the above project proposal at the level of funding indicated in Annex IV to the present report.

(Decision 38/51)

Aerosol: MDIs

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

88. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 97 and 98), the Executive Committee decided:

- (a) To 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) To note that the capital cost of the project, as revised, amounts to US \$1,488,000 (including US \$430,000 for trials, pilot scale production, clinical trials, product stability, technical supervision, inspections and certification of completion);
- (c) To 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 resubmit 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) To 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) To 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) To further 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.

(Decision 38/52)

Halons

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

89. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 99 and 100), the Executive Committee decided:

- (a) To approve the above project proposal at the level of funding indicated in Annex IV 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 IV/25 of the Meeting of the Parties;
- (b) To 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.

(Decision 38/53)

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)

90. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 101 and 102), the Executive Committee decided:

- (a) Not to 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) To retain the project in the UNIDO 2002 business plan.

(Decision 38/54)

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)

91. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 103 and 104), the Executive Committee decided:

- (a) Not to approve these individual projects;
- (b) To 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 Government's commitment to phase out all remaining CFC consumption;

- (c) To retain the funding in the 2002 business plans of UNDP and UNIDO.

(Decision 38/55)

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)

92. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 105 and 106), the Executive Committee decided to approve the above project at the level of funding indicated in Annex IV 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.

(Decision 38/56)

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)

93. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 107 and 108), the Executive Committee decided:

- (a) To approve the above project proposals at the level of funding indicated in Annex IV to the present report;
- (b) 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.

(Decision 38/57)

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.1/Corr.1 and Add.2)

94. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 109 and 110), the Executive Committee decided:

- (a) To approve the above project proposal at the level of funding indicated in Annex IV to the present report;
- (b) That 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.

(Decision 38/58)

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)

95. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 111 and 112), the Executive Committee decided to approve the annual programme and support costs at the level of funding indicated in Annex IV to the present report, noting that the support costs were calculated at a rate of 7.5 per cent, consistent with Decision 38/68.

(Decision 38/59)

Sector plan: Process agent

China: Sector plan to phase-out the production and consumption of CTC in China (World Bank) (UNEP/OzL.Pro/ExCom/38/27, Add.1, Add.1/Corr.1 and Add.2)

96. The Executive Committee considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14 paragraphs 113 and 114), and noted that interested parties had brought forward a revised proposal to extend the sector plan phase-out of ODS in the process agent sector to cover the production and consumption of CTC in China.

97. Following a discussion about the nature, scope, timing and cost of the revised project, the Executive Committee decided to approve the above reformulated sector plan at the level of

funding indicated in Annex IV to the present report, in accordance with the agreement between the Government of China and the Executive Committee, contained in Annex XIII to the present report, on the understanding that, at its 39th Meeting, the Executive Committee will consider the distribution of the annual funding tranches for the project.

(Decision 38/60)

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)

98. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 115 and 116), the Executive Committee decided:

- (a) To note that a number of issues remained outstanding and that the proposal was not yet ready for consideration by the Executive Committee;
- (b) That the project would remain in the World Bank's 2002 business plan;
- (c) In undertaking the future review of this project, to apply Decision 38/63 on the funding of technology that is not in the public domain.

(Decision 38/61)

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)

99. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 117 and 118), the Executive Committee decided:

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

(Decision 38/62)

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

100. Having considered the comments and recommendations of the Sub-Committee on Project Review (UNEP/OzL.Pro/ExCom/38/14, paragraphs 119 and 121), the Executive Committee decided:

- (a) To take note of the communication received from the World Intellectual Property Organization, pursuant to Decision 37/62;
- (b) To approve the guidelines for the financing of projects using technology that is not in the public domain, as contained in Annex XIV to the present report.

(Decision 38/63)

AGENDA ITEM 7: REFRIGERANT MANAGEMENT PLANS AND TERMINAL PHASE-OUT MANAGEMENT PLANS (DECISION 37/70 (a))

101. Introducing the item, the Chair said that the Executive Committee at its 37th Meeting had discussed whether RMP activities included in business plans could be submitted as new terminal phase-out management plans, if countries requested agencies to do so. In its Decision 37/70, the Committee requested the Secretariat, in collaboration with the implementing agencies and interested Executive Committee members, to prepare a document on the issue, taking account of the content of Decision 31/48, for consideration at the 38th Meeting. Pursuant to Decision 37/70, the Secretariat had prepared a report, which was before the current Meeting as document UNEP/OzL.Pro/ExCom/38/56.

102. Following the discussion, the Executive Committee decided that specific requests for funding of terminal CFC phase-out plans for LVC countries might be considered on a case-by-case basis, provided that:

- (a) The country concerned has a licensing system in operation and has enacted or improved legislation to phase-out ODS consumption;
- (b) The Government concerned is committed to achieve, without further request for funding from the Multilateral Fund, the complete phase out of CFCs in accordance with its obligation under the Montreal Protocol;
- (c) The Government is committed to annual reporting of progress in implementing the activities proposed and meeting the reduction steps; and
- (d) Implementing and/or bilateral agency(ies) responsible for implementing the terminal phase-out plan be requested to advise the Government concerned on the financial implications to the country for submitting a terminal phase out plan, and make every effort to assist the Government concerned to achieve phase-out targets specified in the plan.

(Decision 38/64)

AGENDA ITEM 8: STRATEGIC PLANNING OF THE MULTILATERAL FUND

(a) Revised guidelines for the preparation, implementation and management of performance-based sector and national ODS phase-out plans: follow-up to Decision 37/67

103. Introducing the item, the Chair pointed to the document prepared by the Secretariat, containing guidelines for the preparation, implementation and management of performance-based sector and national ODS phase-out plans (UNEP/OzL.Pro/ExCom/38/57/Rev.1). That document contained a revised version of the guidelines, based on the outcome of the informal meeting of a working group, held pursuant to Decision 37/67, to consider the revised guidelines for the preparation, implementation and management of performance-based sectoral and national ODS phase-out plans, which had been convened at Confindustria, Rome, on 17 November 2002.

104. Mr. Tadanori Inomata (Japan), Facilitator of the informal meeting of the working group, reported on the results of the deliberations of the group, which were summarized in a conference room paper. He said that, if the revised draft guidelines were adopted by the Executive Committee, they would apply to future sectoral and national ODS phase-out plans. The working group had based its work on the draft guidelines prepared by the Secretariat in accordance with Decision 37/67, and had made a number of amendments. Those changes were highlighted in boldface italics in the latest version of the draft guidelines before the current Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/38/57/Rev.1), and he briefly enumerated them.

105. During the discussion, several representatives pointed to the fact that the guidelines were general in nature only, and did not represent an attempt to impose anything on a Party. Only a subsequent agreement or plan, agreed with a Party on a case-by-case basis, would be legally binding. Several representatives considered that the guidelines should expressly state that they did not apply to already approved sectoral and national ODS phase-out plans in any regard. One representative requested that the guidelines should also apply with respect to production and consumption of HBFCs, listed in Annex C, Group II.

106. The Executive Committee decided to approve the guidelines for the preparation, implementation and management of performance-based sector and national ODS phase-out plans, as contained in document UNEP/OzL.Pro/ExCom/38/57/Rev.1, on the understanding that:

- (a) Because of the different situations and needs of countries, and the impracticability of attempting to encompass every situation, the purpose of the guidelines is to provide general principles and procedures that should be followed in developing and implementing performance-based ODS phase-out plans;
- (b) The guidelines shall not apply to already approved performance-based sectoral and national ODS phase-out plans in any regard, since these existing plans refer to agreements that shall be governed by rules specified in each case;
- (c) The guidelines shall also apply to the production and consumption of HBFCs;

- (d) The Executive Committee will review the guidelines after a period of two years, in order to take into account the experience gained in their application. That future review will not affect their status as guidelines;
- (e) The content of subparagraphs (b) and (c) above will be reflected in the final text of the guidelines.

(Decision 38/65)

(b) 2003-2005 phase-out plan for the Multilateral Fund (Decision 37/68 (b))

107. The Chief Officer introduced the report on the 2003-2005 phase-out plan for the Multilateral Fund (UNEP/OzL.Pro/ExCom/38/58), prepared in response to Executive Committee Decision 37/68(b). He briefly described the process that had led to the preparation of the compliance-oriented model three-year phase-out plan for the Multilateral Fund for the 2003-2005 triennium. The Secretariat had convened meetings with implementing agencies and sent letters to 90 Article 5 countries explaining the model's output and requesting each country to validate the results of the model relevant to it. After the submissions had been reviewed, the amounts of ODS to be phased out under projects and sectoral/national phase-out plans, likely to be approved by the Executive Committee at the current Meeting had been introduced into the model. The results of the analysis were presented in the tables and annexes of the report before the Executive Committee.

108. In the discussion, several representatives expressed the view that the plan constituted a valuable basis for assisting countries to comply with the Montreal Protocol and could be a flexible guide to help implementing agencies and bilateral agencies in their business planning. It should not be perceived as a rigid instrument and would have to be updated and possibly modified in the light of experience. Several representatives pointed out that any figures given in the document could only be indicative until the amount of the next replenishment had been decided.

109. One representative suggested that implementing agencies should also develop rolling three-year business plans in addition to the yearly business plans currently submitted to the Executive Committee. Another representative requested the Secretariat to prepare scenarios to show the implications for compliance if the model three-year phase-out plan was not adhered to, and to provide each Executive Committee meeting with a status report. In the view of many representatives, asking Article 5 countries to specify the agency they proposed to use was a positive step. Nevertheless, it necessarily meant departing from the previous practice of fixed agency shares and it would have to be seen how that would work out in practice.

110. In response to questions raised, the Chief Officer said that process agent applications other than those listed in Decision X/14 had not been taken into account in the data analysis and no margin of error had been factored in. Concerning the question of an allocation for accelerating phase-out, he noted the possibility that the removal of the 15 per cent over-programming currently used in the annual business plans might be replaced with a provision for phase-out acceleration. With regard to consistency with the data in the report of the Technology and Economic Assessment Panel on the replenishment of the Multilateral Fund,

he explained that the Fund Secretariat had worked closely with the Task Force and would review the figures. Finally, the Secretariat would update the data in the plan in the light of approvals at the current meeting.

111. Following the discussion, the Executive Committee decided:

- (a) To note that the Multilateral Fund had been established to enable Article 5 countries to comply with the Montreal Protocol. The model three-year phase-out plan, as adjusted and corrected taking into account actions taken at the 38th Meeting of the Executive Committee, inter alia, suggested the reductions that would presumably be needed over the next three years to enable the compliance of all Article 5 countries with the interim compliance measures that had to be met in 2005 and 2007;
- (b) To adopt the model three-year phase-out plan, as revised, as an important guide that should be considered by UNDP, UNIDO, the World Bank and, as appropriate, bilateral agencies, in the preparation of the annual and/or multi-year business plans of the agencies during the 2003 to 2005 triennium. The model may be further revised taking into consideration guidance provided by the 14th Meeting of the Parties, if any (and any further changes, consistent with and agreed under Decision 35/57 and related decisions as regards tables 1 to 4 of document UNEP/OzL.Pro/ExCom/38/58 and any changes agreed by the Secretariat and interested parties as regards tables 5 to 7, taking into account more detailed country specific information, where available);
- (c) To request UNDP, UNIDO the World Bank and bilateral agencies, as appropriate, to take into account the ODS phase-out generated by the model as a basis for the preparation of multi-year agreements and consider allocating the annual funding tranches accordingly;
- (d) That the Secretariat should report to the Executive Committee after each meeting of the Sub-Committee on Project Review regarding any changes or modification to the model three-year phase-out plan, and the possible implications that that may have for the approval of future projects presumed to be necessary to enable compliance;
- (e) To urge Article 5 countries and their cooperating implementing agencies to accelerate the pace of implementation during the 2003 to 2005 timeframes, considering that the model also demonstrates that compliance over the next three years will also rest on the timely implementation of the very large number of already approved but unimplemented projects;

- (f) To request the Secretariat to update the model at each last meeting of the Executive Committee of the calendar year for the following three years, in order to have a rolling model three-year ODS phase-out plan.

(Decision 38/66)

112. At the conclusion of its discussions on the model three-year phase-out plan, the Executive Committee further decided to request implementing agencies to submit their 2003 business plans to the 39th Meeting of the Executive Committee.

(Decision 38/67)

(c) Administrative support costs and agency shares

113. The representative of the Secretariat presented the report on administrative costs and agency shares (UNEP/OzL.Pro/ExCom/38/59), containing the outcome of a coordination meeting held in Montreal in September 2002 between the Secretariat and implementing agencies on a new administrative cost regime, and proposals for a new approach to agency shares. The document proposed the amount of US \$1.5 million each to UNDP, UNIDO and the World Bank for core unit funding, plus a percentage on project approval that would not apply to project preparation, country programme preparation and institutional strengthening activities.

114. In the ensuing discussion, representatives believed that the figure of US \$1.5 million per agency for core funding should be considered a budget to be reviewed periodically. Representatives also agreed that the transition and compliance phase, and the need to achieve savings in terms of administrative costs required a more flexible approach to agency shares. However, some representatives expressed concern that too much flexibility in the percentage of support costs allocated to implementing agencies on project approval might lead to a situation of unhealthy competition among agencies. Furthermore, it might render smaller projects in low-volume-consuming countries less attractive. One representative proposed different percentages for varying project sizes and values as a possible solution.

115. Some representatives were concerned that the tentative figure of 7 per cent of support costs, presented in the Secretariat's recommendations, might not be sufficient to meet the needs of implementing agencies and Article 5 countries, particularly in the upcoming period of increased activity. One representative pointed out that, if the percentage of support costs allocated to implementing agencies was too low, it would jeopardize agencies' ability to deliver projects already approved but not yet implemented. One representative proposed a range of percentages, with the actual percentage allocated to the implementing agency for a particular project determined on a case-by-case basis. Some representatives considered that such an approach would not provide enough guidance to implementing agencies, and would increase the burden on the Secretariat and the Executive Committee.

116. Following the discussion, and based on the proposal formulated by the informal group set up to address the issue during the session, the Executive Committee decided:

- (a) To adopt a new administrative cost regime for the 2003-2005 triennium that includes US \$1.5 million, subject to annual review, for a core unit funding budget per year per agency, applying in addition:
 - (i) An agency fee of 7.5 per cent for projects with a project cost at or above US \$250,000, as well as institutional strengthening projects and project preparation;
 - (ii) An agency fee of 9 per cent for projects with a project cost below US \$250,000, including country programme preparation;
- (b) To apply the above regime to UNDP, UNIDO and the World Bank;
- (c) To urge implementing agencies to strive toward achieving optimization of these support costs, taking into account the goal of Decision VIII/4 of the Eighth Meeting of the Parties to reduce agency support costs to an average below 10 per cent, recognizing that new challenges in the implementation of projects during the compliance period would require substantial support from implementing agencies;
- (d) Review the administrative cost regime and its core unit funding budget at the 41st Meeting of the Executive Committee.

(Decision 38/68)

(d) Performance indicators

117. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/38/60, explaining that it had been prepared pursuant to Decisions 32/7 and 36/53 regarding the development of new performance indicators consistent with the compliance phase of Article 5 countries and the strategic reorientation of the Multilateral Fund.

118. During the discussion, several representatives stressed the need for revised performance indicators in the new situation of the compliance phase. One such indicator might be the degree to which all in-country stakeholders were involved in the preparation of projects right from the start. Another might be the time lapse between technical completion and financial completion of projects, which one representative suggested should not exceed twelve months.

119. Other representatives, while agreeing that some new performance indicators were needed, nevertheless pointed out the advisability of retaining certain of the existing ones, since they were still applicable in the compliance phase. Those included, for example, the percentage of phase-out achieved relative to the amount planned; the speed of disbursement of funds; the speed of completion of projects; and the cost-effectiveness of projects.

120. Others, noting that the present indicators related only to quantitative performance, called for new ones that would be a measure of qualitative performance. Such indicators might relate to the responsiveness of the implementing agencies to the concerns of the Article 5 countries; the quality of the service which the agencies provided; or the degree to which they actually helped Article 5 countries achieve their compliance objectives. It was suggested that National Ozone Units might confidentially rate the implementing agencies, and that the Secretariat could compile those ratings into a comprehensive confidential report.

121. Several representatives pointed out that in the current situation the performance indicators did not have any actual consequences for the implementing agencies. That anomaly could be rectified by the confidential rating scheme proposed, since if the report was widely distributed to National Ozone Units, countries might tend towards choosing those implementing agencies which had earned the higher ratings.

122. The observer from UNEP reported that UNEP had held a workshop in September 2002 covering performance indicators for capacity-building, attended by a representative of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC), the Fund Secretariat, Executive Committee members and others. UNEP was in the process of developing performance indicators for that specific area.

123. Following the discussion, the Executive Committee decided:

- (a) To request the Secretariat in cooperation with the implementing agencies and Article 5 countries to prepare a set of performance indicators for the compliance period in the light of the model three-year phase-out plan and taking into consideration the discussion during the meeting on performance indicators;
- (b) To invite Parties which had views on the topic to submit them to the Secretariat within four weeks of the end of the 38th Meeting.

(Decision 38/69)

AGENDA ITEM 9: COUNTRY PROGRAMMES AND UPDATES

124. The representative of the Secretariat presented the country programmes for Albania and Angola and the country programme update for Jordan, contained in documents UNEP/OzL.Pro/ExCom/38/61, UNEP/OzL.Pro/ExCom/38/62 and UNEP/OzL.Pro/ExCom/38/64, and announced that the country programme for Haiti had been deferred to the 39th Meeting of the Executive Committee, pending verification of ODS consumption data by the Government.

125. The representative of the Secretariat noted that the Government of Albania had submitted 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 with both the 2005 and 2007 targets based on the proposed phase-out strategy. On the basis of Decision 37/20 and the non-compliance status of Albania, the Secretariat was unable to recommend approval of the country programme or the phase-out plan.

126. Angola's country programme was submitted with the refrigerant management plan, however, funding for the plan would be submitted for the consideration of the Executive Committee in 2003.

127. With regard to Jordan's country programme update, the representative of the Secretariat noted that the remaining CFC consumption eligible for funding, as adopted by the Executive Committee under Decision 35/57 was nil. However, on the basis of the revised data reported in the country programme update, the ODS consumption remaining to be addressed had been calculated by the Government at 183 ODP tonnes of CFCs and 7.7 ODP tonnes of CTC. He indicated that, after addressing outstanding issues, the representative of the Secretariat and the World Bank were drafting a proposed agreement for complete ODS phase-out in Jordan, estimated to cost approximately US \$1 million, to be presented for the Executive Committee's approval.

128. During the discussion, representatives highlighted the need to signal the Executive Committee's willingness to assist Albania in achieving compliance as soon as conditions permitted, and when it received a mandate to do so from the Implementation Committee. In relation to the proposal that would be submitted for Jordan's country programme update, one representative requested confirmation that the agreement being drafted contained a commitment by the Government of Jordan that the amount proposed would represent its last request for funding of the phase-out of controlled substances.

Albania country programme (UNEP/OzL.Pro/ExCom/38/61)

129. The Executive Committee decided:

- (a) To defer consideration of the Albania country programme to the 39th Meeting of the Executive Committee, and;
- (b) To express its willingness to consider Albania's country programme pending clarification by Albania and the proceedings of the Implementation Committee.

(Decision 38/70)

Angola country programme (UNEP/OzL.Pro/ExCom/38/62)

130. The Executive Committee decided:

- (a) To approve the Angola country programme, noting that approval of the country programme did not denote approval of the projects identified therein or their funding levels;
- (b) To request the Government of Angola to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para. 135). Using the approved format, the initial report, covering the period

1 December 2002 to 31 December 2003, should be submitted to the Multilateral Fund no later than 1 May 2004.

(Decision 38/71)

Jordan country programme update (UNEP/OzL.Pro/ExCom/38/64)

131. The Executive Committee decided:

- (a) To take note of the Jordan country programme update;
- (b) To request the Government of Jordan to continue to present information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with relevant decisions of the Executive Committee;
- (c) To approve the National ODS Phase-out Plan in Jordan at a cost of US \$410,000, plus support costs of US \$53,300 to UNIDO and US \$590,000, plus support costs of US \$74,900 to the World Bank, on the understanding that:
 - (i) The Government of Jordan commits to the phased reduction and complete phase-out in the consumption of Annex A, Group I and Annex B Group II substances used in Jordan, according to the following phase-out schedule:

Year	2004	2005	2006	2007	2008	2009	2010	Total
Annual CFC phase-out target (ODP tonnes)*	110	33	15	10	10	5	0	183
Annual CTC phase-out target (ODP tonnes)	7.7	0	0	0	0	0	0	7.7

*Including 78 ODP tonnes of CFCs to be phased out by the Government of Jordan.

- (ii) The Government of Jordan agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of controlled substances. The Executive Committee agrees to provide Jordan with flexibility in using the agreed funds consistent with operational procedures as agreed between Jordan and the agencies (UNIDO and the World Bank) in the National ODS Phase-out Plan;
- (iii) The Government of Jordan agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year;
- (iv) The lead implementing agency, the World Bank, will be responsible for reporting annually on the implementation of all activities funded under the National ODS Phase-out Plan; and providing verification to the Executive

Committee annually, that ODS consumption phase-out in the National Phase-out Plan has been completed based on the schedules listed in the table above.

(Decision 38/72)

AGENDA ITEM 10: REPORT OF THE EXECUTIVE COMMITTEE'S SUB-GROUP ON PRODUCTION SECTOR

132. The moderator of the Sub-group on the Production Sector introduced the report on the Sub-group's meeting which had been held on Thursday, 21 November 2002. At that meeting the Secretariat had briefed the Sub-group on developments in the ODS production sector since the 37th Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/38/65).

133. The meeting had had on its agenda, among other things, the final report on the technical audit of the CFC production sector in Mexico, the strategy for the gradual phase out of CFC-11 and CFC-12 production in Argentina, and a request from the Secretariat for a supplementary allocation to the account for production technical audits.

134. Following a bidding process for contracting work for the CTC/TCA audits in India and China, a contract had been awarded for the audit in India after the country had provided the breakdown data on the CTC production between feedstock and other uses. The Sub-group was also informed that the Secretariat had received during that week similar data from China and would proceed to award the contract as soon as possible. The Secretariat had also informed the Sub-group that data collection through questionnaire had been completed for the Venezuela audit and would soon be followed by a field visit by the consultant. The Sub-group had also heard a brief presentation on the final audit report on the CFC production sector in Mexico.

135. Following the discussion, the Executive Committee decided:

- (a) To take note of the final report on the technical audit of the CFC production sector in Mexico;
- (b) To request the Secretariat to send to members of the Sub-group the comments of the Government of Mexico on the audit report as well as the response of the consultant to the comments;
- (c) To request UNIDO to take fully into account the findings of the audit report in preparing the CFC closure project.

(Decision 38/73)

136. The moderator of the Sub-group also noted that, at the meeting on 21 November 2002, the Sub-group had received from the World Bank a draft agreement between the Executive Committee and the Government of Argentina on the phase-out of the CFC production in

Argentina. After a discussion, the Executive Committee decided to approve the Agreement for the Argentina Production Sector, contained in Annex XV to the present report, at a funding level of US \$8.3 million.

(Decision 38/74)

137. With regard to the request of the Secretariat for further replenishing the account for the technical audit of the production sector, the Executive Committee decided to approve US \$100,000 to enable the Secretariat to meet the commitments and planned commitment under this account.

(Decision 38/75)

AGENDA ITEM 11: REPORT OF THE EXECUTIVE COMMITTEE TO THE FOURTEENTH MEETING OF THE PARTIES

138. The representative of the Secretariat presented the report of the Executive Committee to the Fourteenth Meeting of the Parties (UNEP/OzL.Pro/ExCom/38/66), drawing representatives' attention to Annex II, which had been updated to include the amount of HCFC phased in parallel to the CFC phased out.

139. Having considered the draft report, the Executive Committee decided to authorize the Secretariat to update the report in the light of the discussions held and decisions taken at the 38th Meeting of the Executive Committee, as well as comments made on this item.

(Decision 38/76)

AGENDA ITEM 12: REPORT OF THE FUND SECRETARIAT ON THE TECHNICAL WORKSHOP ON CONCESSIONAL LENDING (DECISION 35/61 (d))

140. The Chief Officer introduced the report of the Fund Secretariat on the technical workshop on concessional lending, held on 22 July 2002 in L'Estérel, Quebec, Canada (UNEP/OzL.Pro/ExCom/38/67 and Corr.1), which had to be read in conjunction with UNEP DTIE's report on the proceedings (UNEP/OzL.Pro/ExCom/38/Inf.2).

141. The representative of Japan proposed a draft decision on concessional lending and briefly described the background to the issue. He expressed his Government's appreciation to all those who had helped to make the workshop such a success.

142. Representatives considered that the workshop had been most interesting and the exchange of views had been extremely fruitful.

143. After a number of amendments to the draft decision had been proposed, a small group was requested to prepare a text for the Committee's consideration. The Committee subsequently considered the draft text prepared by the Group.

144. The Executive Committee decided:

- (a) To note with appreciation the report of the Fund Secretariat on the Technical Workshop on Concessional Lending (UNEP/OzL.Pro/ExCom/38/67 and Corr.1) as well as the report of UNEP on the proceedings of the workshop (UNEP/OzL.Pro/ExCom/38/Inf.2);
- (b) To express gratitude to the Government of Japan for the convening of the Technical Workshop with the assistance of UNEP;
- (c) To note that the technical workshop served for useful exchange of views between Article 5 countries and non-Article 5 countries on concessional lending;
- (d) To further note that the respective reports contained useful information on the modalities of concessional lending and their practical applications;
- (e) To acknowledge the significant progress achieved in discussing the issue of concessional lending at the technical workshop and at the 38th Meeting of the Executive Committee;
- (f) To include an item on concessional lending on the agenda of the 39th Meeting of the Executive Committee.

(Decision 38/77)

AGENDA ITEM 13: FRAMEWORK FOR AN INFORMATION STRATEGY FOR THE MULTILATERAL FUND (DECISION 37/1 (b))

145. The Chief Officer introduced the Secretariat's paper on the framework for an information strategy for the Multilateral Fund (UNEP/OzL.Pro/ExCom/38/68) which described the current situation of the dissemination of information by the Multilateral Fund and the activities undertaken by the Chair and Vice-Chair of the Executive Committee, as well as the Chief Officer of the Fund Secretariat in Article 5 countries. These activities had included presentations at regional meetings and relevant international meetings, which, however, were not part of a coherent information strategy.

146. He stressed that any information strategy must have a clear mission statement based on well defined objectives. Such objectives must be achievable in the near term, given the finite life of the Multilateral Fund. It was the responsibility of the Executive Committee to define concrete objectives and a framework for developing an appropriate information strategy. There was also an urgent need to further develop the web site of the Multilateral Fund, inter alia, to enable the public at large to learn more about the importance of the Fund. He also noted the need for implementing agencies to highlight in public forums and written reports on the implementation of the Montreal Protocol in Article 5 countries, the significant funding received by them from the Fund.

147. In the ensuing discussion, it was pointed out, with regard to the improvement of the web site, that access to the Internet in Article 5 countries was not always easy and therefore other ways had to be found, such as brochures, to convey information to the authorities concerned. Some representatives noted the importance of separating general from specific issues when setting up the web sites. Other representatives called for a balance to be struck between non-Article 5 and Article 5 countries when Executive Committee officials conducted visits to or attended meetings in the various regions. These visits and contacts were to include academic institutions and donor communities.

148. Several representatives sought to know more about the relationship between the proposed framework on an information strategy under consideration by the Executive Committee and the communication strategy prepared by UNEP on how to raise awareness on ozone issues, which would be considered under the following agenda item. The Secretariat explained in that regard that because the UNEP paper had been prepared independently and the Secretariat's paper had been submitted late, the relationship between the two strategies had not been established.

149. Many representatives called for a broader strategy for disseminating information on the Montreal Protocol that went beyond information on the Fund itself and that required a higher degree of coordination between the Fund Secretariat and other institutions, in particular, the Ozone Secretariat. The need to work with non-governmental organizations was also emphasized, not only in terms of tapping into their experiences, but also sharing the Fund's experience with them. It was only on the basis of this broader picture that the Executive Committee could, at its 39th Meeting consider a strategy with defined goals, objectives, specific target audiences and performance indicators.

150. The Secretariat acknowledged that the dissemination of information had thus far been carried out on an ad hoc basis and a focused coherent approach was required. The Fund Secretariat had in the past issued press releases in conjunction with the Conference of the Parties and the Ozone Secretariat on meetings at which funds had been approved, but its numerous efforts to work with both local and international media had not been totally successful.

151. After the discussion, the Executive Committee decided:

- (a) To take note of the Secretariat's paper on the framework for an information strategy for the Multilateral Fund;
- (b) To request those delegations that wished to submit further proposals on the mission statement to do so within a period of four weeks;
- (c) That the Secretariat should prepare an elaborated information strategy with the assistance of other institutions dealing with ozone depletion matters, in particular, the Ozone Secretariat, and submit it to the Executive Committee at its 39th Meeting.

(Decision 38/78)

AGENDA ITEM 14: COMMUNICATION STRATEGY FOR GLOBAL COMPLIANCE WITH THE MONTREAL PROTOCOL (DECISION 37/72 (b))

152. The representative of UNEP introduced document UNEP/OzL.Pro/ExCom/38/69. He summarized the background to the document, noting that by its Decision 37/72 the Executive Committee had encouraged UNEP to submit a revised version of the Communication Strategy for consideration at its 38th Meeting. After explaining the structure and main points of the document, he said that UNEP sought the guidance of the Executive Committee as to how to proceed with the implementation of the final strategy, and specifically with regard to whether the strategy document should become a guidance document for awareness-raising under the Multilateral Fund; whether future disbursements of funds for assistance for regional awareness-raising should be used for any one option (of five identified in the document) or for a combination of options; and whether UNEP should report after one year on preliminary results and progress made in implementing the communication strategy.

153. One representative expressed concern that while the title of the document included the word “compliance,” there did not seem to be sufficient focus on compliance issues in the body of the document. He hoped that the concentration on compliance matters would be made more explicit in future version of the strategy document.

154. Some representatives suggested that the communications strategy should also cover cooperation and synergy with other multilateral environmental agreements (MEAs), notably the Kyoto Protocol and the Basel Convention.

155. Some representatives felt that the document did not sufficiently address the communications issues relating to illegal trade.

156. One representative suggested that the “Key Messages on Ozone Depletion” in the document should be expanded to cover reference to the foam and aerosol sectors, while another suggested that they should explain the linkages, and differences, between ozone depletion and climate change.

157. Another representative enquired why the West Asia Regional Office did not have an officer for policy development under UNEP’s Compliance Assistance Programme, who could be instrumental in implementing the compliance strategy in the region. He requested that that post be established as soon as possible.

158. Some representatives questioned the appropriateness of singling out countries as priority candidates for action, since enhancing awareness, both in the public and among policy-makers, was important in all countries. It was suggested that a ready-made communications strategy might not be appropriate to all countries, and might require country-specific adjustments.

159. One representative suggested that use could be made of the worldwide network of United Nations information centres.

160. Some representatives expressed concern that the scale of the strategy outlined in the document was out of proportion with the financial resources available. They felt that the

potential cost of implementing the strategy, and how it was to be financed, should be determined before a strategy was adopted.

161. The representative of UNEP thanked all those who had made suggestions, which he said would be very helpful in producing an enhanced version of the strategy.

162. Following the discussion, the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/38/69 with appreciation;
- (b) To request UNEP to use the strategy described in the document, taking cognisance of the suggestions made by the Executive Committee in the discussion, as part of the implementation of the Compliance Assistance Programme;
- (c) To report to the 41st Meeting of the Executive Committee in preliminary results and progress made in implementing the communication strategy.

(Decision 38/79)

AGENDA ITEM 15: REPORT OF THE CHAIRMAN OF THE EXECUTIVE COMMITTEE ON THE STATUS OF IMPLEMENTATION OF DECISION 36/57

163. The Executive Committee held a session in the absence of observers and the Secretariat in order to hear an address by Mr. Klaus Töpfer, Executive Director of UNEP.

164. It subsequently held a further session in the absence of observers and the Secretariat for the purpose of discussing the issues raised by Mr. Töpfer's statement.

165. The Executive Committee decided:

- (a) Formally to request the Executive Director of UNEP to seek an extension of the contract of the current Chief Officer of the Multilateral Fund Secretariat, Dr. Omar El-Arini, at the D2 level for a period of up to two years;
- (b) To request the Chairman, on behalf of the 14 Parties to the Montreal Protocol members of the Executive Committee, to visit United Nations Headquarters in New York, in collaboration with the Executive Director and with such assistance as needed, to seek the extension of the Chief Officer's contract;
- (c) Also to request the Chairman of the Executive Committee, with such assistance as needed, to review the job vacancy notice prepared by UNEP and to provide comments thereon consistent with the terms of reference of the Executive Committee;

- (d) To request UNEP to ensure that the hiring of the next Chief Officer will be consistent with the following provision in the Terms of Reference of the Executive Committee (Decision IV/18):

“to nominate, for appointment by the Executive Director of UNEP, the Chief Officer of the Fund Secretariat, who shall work under the Executive Committee, and report to it”.

(Decision 38/80)

AGENDA ITEM 16: OTHER MATTERS

Operation of the monitoring and evaluation function of the Secretariat

166. The representative of the United States of America made the following statement:

“After some consultation, we have come to believe that the issues that gave rise to our request under this agenda item were really more related to personnel and staff behaviour than to Executive Committee policy. Accordingly, we agree that these issues are much better taken up by the Chief Officer of the Secretariat, consistent with any United Nations rules, than the Executive Committee. Accordingly, we will act bilaterally, and will withdraw our request for substantive discussion under this agenda item.”

Access to past Executive Committee documents by members of the Executive Committee through the web site

167. One representative expressed the wish to make meeting documents from previous Executive Committee Meetings available to Executive Committee members through the Multilateral Fund Secretariat’s website. A representative of the Secretariat explained that meeting documents other than the final reports were in fact limited in circulation, and putting them on the website would in effect make them public. He went on to say that any request for documents transmitted to the Secretariat by a member of the Executive Committee would be met gladly, and that the documents in question could be forwarded in paper or electronic format.

Destruction of CFCs

168. One representative expressed the wish that the Executive Committee discuss the issue of technology for destruction of CFCs, given the environmental implications of storing large amounts of non-recyclable CFCs. Another representative pointed out that the Multilateral Fund only covered projects aimed at enabling countries’ compliance with the Montreal Protocol, and that destruction of CFCs did not necessarily fall under that category. Since the issue had been addressed at length by the Technology and Economic Assessment Panel, and would be subject to discussion in the upcoming Meeting of the Parties to the Montreal Protocol, it might be appropriate to wait for the outcome of the discussions being held in other bodies before deciding to include the consideration of CFC destruction technology as an item on the agenda of a future Executive Committee meeting.

Dates and place of the 39th Meeting of the Executive Committee

169. The Executive Committee decided that the 39th Meeting of the Executive Committee would be held in Montreal from 2 to 4 April 2003, to be preceded by meetings of the Sub-Committee on Monitoring, Evaluation and Finance and the Sub-Committee on Project Review, to be held at the same venue on 31 March and 1 April 2003.

(Decision 38/81)

AGENDA ITEM 17: ADOPTION OF THE REPORT

170. The Executive Committee adopted its report on Friday, 22 November 2002, on the basis of the draft report contained in documents UNEP/OzL.Pro/ExCom/38/L.1 and Add.1 on the understanding that the Secretariat, in collaboration with the Chair, would be entrusted with the finalization of the last part of the proceedings.

AGENDA ITEM 18: CLOSURE OF THE MEETING

171. Following the customary exchange of courtesies, the meeting rose at 6:30 p.m. on Friday, 22 November 2002.

ANNEX I**TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**

STATUS OF THE FUND (IN US DOLLARS)

As at 22 November 2002

INCOME		
Contributions received:		
- Cash payments including note encashments		1,251,198,047
- Promissory notes held		97,292,926
- Bilateral cooperation		58,595,472
- Interest earned		121,388,035
- Miscellaneous income		4,547,156
Total Income		1,533,021,636
ALLOCATIONS AND PROVISIONS		
- UNDP	388,898,689	
- UNEP	66,134,764	
- UNIDO	302,636,399	
- World Bank	552,381,323	
Less Adjustments	-	
Total allocations to implementing agencies		1,310,051,175
Secretariat and Executive Committee costs (1991-2003)		
- includes provision for staff contracts into 2004		35,234,309
Monitoring and evaluation activities approved at the 22nd, 29th, 32nd & 35th Meetings of the Executive Committee		1,337,001
Technical audit activities approved at the 24th & 36th Meetings of the Executive Committee		750,001
Bilateral cooperation		58,595,472
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		15,006,441
Total allocations and provisions		1,420,974,399
BALANCE AVAILABLE FOR NEW ALLOCATIONS		112,047,237

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1991 - 1999 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 22 November 2002

Description	1991-1993	1994-1996	1997-1999	2000	2001	1991 - 2001	2002	1991 - 2002
Pledged contributions	235,029,241	424,841,347	472,567,009	146,666,667	146,666,667	1,425,770,931	146,666,667	1,572,437,598
Cash payments	206,092,884	381,404,316	379,712,766	121,637,833	98,793,747	1,187,641,545	63,556,502	1,251,198,047
Bilateral assistance	4,366,255	11,997,571	22,144,067	4,029,194	3,380,349	45,917,436	12,678,036	58,595,472
Promissory notes	0	0	25,262,997	17,157,649	39,924,781	82,345,427	14,947,499	97,292,926
Total payments	210,459,139	393,401,887	427,119,830	142,824,676	142,098,877	1,315,904,408	91,182,037	1,407,086,445
Disputed contributions	0	8,098,267	0	0	0	8,098,267	0	8,098,267
Outstanding pledges	24,570,102	31,439,460	45,447,179	3,841,991	4,567,790	109,866,523	55,484,630	165,351,153
Payments %age to pledges	89.55%	92.60%	90.38%	97.38%	96.89%	92.29%	62.17%	89.48%
Interest earned	5,323,644	28,525,733	44,685,516	25,264,748	17,588,394	121,388,035	0	121,388,035
Miscellaneous income	1,442,103	1,297,366	1,223,598	300,000	284,089	4,547,156	0	4,547,156
TOTAL INCOME	217,224,886	423,224,985	473,028,944	168,389,424	159,971,360	1,441,839,599	91,182,037	1,533,021,636
Accumulated figures	1991-1993	1994-1996	1997-1999	2000	2001	1991 - 2001	2002	1991-2002
Total pledges	235,029,241	424,841,347	472,567,009	146,666,667	146,666,667	1,425,770,931	146,666,667	1,572,437,598
Total payments	210,459,139	393,401,887	427,119,830	142,824,676	142,098,877	1,315,904,408	91,182,037	1,407,086,445
Payments %age to pledges	89.55%	92.60%	90.38%	97.38%	96.89%	92.29%	62.17%	89.48%
Total income	217,224,886	423,224,985	473,028,944	168,389,424	159,971,360	1,441,839,599	91,182,037	1,533,021,636
Total outstanding contributions	24,570,102	31,439,460	45,447,179	3,841,991	4,567,790	109,866,523	55,484,630	165,351,153
As % to total pledges	10.45%	7.40%	9.62%	2.62%	3.11%	7.71%	37.83%	10.52%
Outstanding contributions for Countries with Economies in Transition (CEITs)	24,570,102	31,439,460	33,056,215	3,291,257	3,558,673	95,915,707	3,735,116	99,650,823
CEITs' outstandings %age to pledges	10.45%	7.40%	7.00%	2.24%	2.43%	6.73%	2.55%	6.34%

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1991-2002 Summary Status of Contributions

As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	27,774,978	26,497,460	1,208,218	0	69,300
Austria	15,708,821	15,577,031	131,790	0	0
Azerbaijan	821,435	0	0	0	821,435
Belarus	2,560,782	100,000	0	0	2,460,782
Belgium	19,684,410	19,575,930	108,480	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	992,679	960,855	0	0	31,824
Canada	55,888,695	46,578,793	6,448,438	3,690,228	(828,764)
Cyprus	148,670	148,670	0	0	0
Czech Republic	4,790,017	4,790,017	0	0	0
Denmark	12,826,896	12,621,896	205,000	0	0
Estonia	75,372	50,248	0	0	25,124
Finland	10,701,993	10,146,196	451,870	0	103,927
France	116,781,125	50,147,937	8,592,195	41,659,983	16,381,010
Georgia	0	0	0	0	0
Germany	171,544,782	127,364,689	21,181,160	16,427,810	6,571,123
Greece	6,796,767	5,855,666	0	0	941,101
Hungary	2,795,639	2,795,639	0	0	0
Iceland	567,233	493,631	0	0	73,602
Ireland	3,781,816	3,781,816	0	0	0
Israel	4,782,864	3,547,676	0	0	1,235,188
Italy	89,988,031	84,529,068	3,374,489	0	2,084,474
Japan	284,000,945	274,506,801	4,116,135	0	5,378,009
Kuwait	286,549	286,549	0	0	0
Latvia	259,728	185,825	0	0	73,903
Liechtenstein	165,631	165,631	0	0	0
Lithuania	369,857	14,975	0	0	354,882
Luxembourg	1,227,109	1,227,109	0	0	0
Malta	28,052	28,052	0	0	0
Monaco	135,012	134,992	0	0	20
Netherlands	29,373,104	26,641,277	0	2,731,827	0
New Zealand	4,361,998	4,361,998	0	0	0
Norway	10,589,067	9,567,354	0	0	1,021,713
Panama	16,915	16,915	0	0	0
Poland	3,375,495	2,682,071	113,000	0	580,424
Portugal	5,319,539	4,621,089	0	0	698,450
Russian Federation	86,815,700	0	0	0	86,815,700
Singapore	531,221	459,245	71,976	0	0
Slovakia	1,607,114	1,607,114	0	0	0
Slovenia	61,290	61,290	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0
Spain	42,564,730	42,564,730	0	0	0
Sweden	21,484,793	19,964,692	752,800	0	767,301
Switzerland	21,891,244	19,568,781	427,730	0	1,894,733
Tajikistan	90,871	5,333	0	0	85,538
Turkmenistan	275,954	0	0	0	275,954
Ukraine	8,498,183	785,600	0	0	7,712,583
United Arab Emirates	559,639	559,639	0	0	0
United Kingdom	94,971,418	71,823,340	565,000	22,583,078	0
United States of America	400,251,570	349,925,237	10,817,191	10,200,000	29,309,142
Uzbekistan	518,174	105,500	0	0	412,674
SUB-TOTAL	1,572,437,598	1,251,198,047	58,595,472	97,292,926	165,351,153
Disputed Contributions (*)	8,098,267	0	0	0	8,098,267
TOTAL	1,580,535,865	1,251,198,047	58,595,472	97,292,926	173,449,420

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

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

1991-2001 Summary Status of Contributions

As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	25,292,717	24,268,522	1,024,195	0	0
Austria	14,132,703	14,000,913	131,790	0	0
Azerbaijan	784,586	0	0	0	784,586
Belarus	2,423,437	100,000	0	0	2,323,437
Belgium	17,836,951	17,728,471	108,480	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	960,855	960,855	0	0	0
Canada	51,275,911	45,965,727	5,310,183	0	1
Cyprus	148,670	148,670	0	0	0
Czech Republic	4,587,349	4,587,349	0	0	0
Denmark	11,669,513	11,464,513	205,000	0	0
Estonia	50,248	50,248	0	0	0
Finland	9,794,176	9,238,379	451,870	0	103,927
France	105,827,018	50,147,937	7,404,321	41,659,983	6,614,777
Georgia	0	0	0	0	0
Germany	155,116,972	127,364,689	11,324,473	16,427,810	0
Greece	6,208,863	5,855,666	0	0	353,197
Hungary	2,594,646	2,594,646	0	0	0
Iceland	513,635	493,631	0	0	20,004
Ireland	3,406,630	3,406,630	0	0	0
Israel	4,205,010	3,439,546	0	0	765,464
Italy	80,889,758	77,515,269	3,374,489	0	0
Japan	250,528,947	241,034,803	3,821,888	0	5,672,256
Kuwait	286,549	286,549	0	0	0
Latvia	219,529	185,825	0	0	33,704
Liechtenstein	155,581	155,581	0	0	0
Lithuania	333,008	14,975	0	0	318,033
Luxembourg	1,113,213	1,113,213	0	0	0
Malta	28,052	28,052	0	0	0
Monaco	128,312	128,312	0	0	0
Netherlands	26,641,277	26,641,277	0	0	0
New Zealand	3,991,836	3,991,836	0	0	0
Norway	9,567,354	9,567,354	0	0	0
Panama	16,915	16,915	0	0	0
Poland	3,028,783	2,682,071	113,000	0	233,712
Portugal	4,621,089	4,621,089	0	0	0
Russian Federation	84,325,065	0	0	0	84,325,065
Singapore	531,221	459,245	71,976	0	0
Slovakia	1,541,791	1,541,791	0	0	0
Slovenia	61,290	61,290	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0
Spain	38,228,311	38,228,311	0	0	0
Sweden	19,669,158	18,512,119	735,850	0	421,189
Switzerland	19,856,192	19,428,462	427,730	0	0
Tajikistan	82,496	5,333	0	0	77,163
Turkmenistan	262,555	0	0	0	262,555
Ukraine	7,992,351	785,600	0	0	7,206,751
United Arab Emirates	559,639	559,639	0	0	0
United Kingdom	86,445,974	71,823,340	565,000	14,057,634	0
United States of America	363,584,903	342,567,712	10,817,191	10,200,000	0
Uzbekistan	456,201	105,500	0	0	350,701
SUB-TOTAL	1,425,770,931	1,187,641,545	45,917,436	82,345,427	109,866,523
Disputed Contributions (*)	8,098,267	0	0	0	8,098,267
TOTAL	1,433,869,198	1,187,641,545	45,917,436	82,345,427	117,964,790

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

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
Status of Contributions for 2002
As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,228,938	184,023	0	69,300
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	0	0	0	31,824
Canada	4,612,784	613,066	1,138,255	3,690,228	(828,765)
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	0	0	0	25,124
Finland	907,817	907,817	0	0	0
France	10,954,107	0	1,187,874	0	9,766,233
Georgia	0	0	0	0	0
Germany	16,427,810	0	9,856,687	0	6,571,123
Greece	587,904	0	0	0	587,904
Hungary	200,993	200,993	0	0	0
Iceland	53,598	0	0	0	53,598
Ireland	375,186	375,186	0	0	0
Israel	577,854	108,130	0	0	469,724
Italy	9,098,273	7,013,799	0	0	2,084,474
Japan	33,471,998	33,471,998	294,247	0	(294,247)
Kuwait	0	0	0	0	0
Latvia	40,199	0	0	0	40,199
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,680	0	0	20
Netherlands	2,731,827	0	0	2,731,827	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	0	0	0	1,021,713
Panama	0	0	0	0	0
Poland	346,712	0	0	0	346,712
Portugal	698,450	0	0	0	698,450
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovakia	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,452,573	16,950	0	346,112
Switzerland	2,035,052	140,319	0	0	1,894,733
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	0	0	8,525,444	0
United States of America	36,666,667	7,357,525	0	0	29,309,142
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	63,556,502	12,678,036	14,947,499	55,484,630

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCO
Status of Contributions for 2001
As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,354,404	127,857	0	0
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	31,824	0	0	0
Canada	4,612,784	4,218,583	394,201	0	0
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	25,124	0	0	0
Finland	907,817	907,817	0	0	0
France	10,954,107	0	561,672	10,392,435	0
Georgia	0	0	0	0	0
Germany	16,427,810	0	0	16,427,810	0
Greece	587,904	234,707	0	0	353,197
Hungary	200,993	200,993	0	0	0
Iceland	53,598	33,594	0	0	20,004
Ireland	375,186	375,186	0	0	0
Israel	577,854	0	0	0	577,854
Italy	9,098,273	7,543,439	1,554,834	0	0
Japan	33,471,998	33,219,443	252,555	0	0
Kuwait	0	0	0	0	0
Latvia	40,199	6,495	0	0	33,704
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,700	0	0	0
Netherlands	2,731,827	2,731,827	0	0	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	1,021,713	0	0	0
Panama	0	0	0	0	0
Poland	346,712		113,000	0	233,712
Portugal	698,450	698,450	0	0	0
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovakia	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,452,573	305,000	0	58,062
Switzerland	2,035,052	1,963,822	71,230	0	0
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	1,420,908	0	7,104,536	0
United States of America	36,666,667	30,666,667	0	6,000,000	0
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	98,793,747	3,380,349	39,924,781	4,567,790

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCO
Status of Contributions for 2002
As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,228,938	184,023	0	69,300
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	0	0	0	31,824
Canada	4,612,784	613,066	1,138,255	3,690,228	(828,765)
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	0	0	0	25,124
Finland	907,817	907,817	0	0	0
France	10,954,107	0	1,187,874	0	9,766,233
Georgia	0	0	0	0	0
Germany	16,427,810	0	9,856,687	0	6,571,123
Greece	587,904	0	0	0	587,904
Hungary	200,993	200,993	0	0	0
Iceland	53,598	0	0	0	53,598
Ireland	375,186	375,186	0	0	0
Israel	577,854	108,130	0	0	469,724
Italy	9,098,273	7,013,799	0	0	2,084,474
Japan	33,471,998	33,471,998	294,247	0	(294,247)
Kuwait	0	0	0	0	0
Latvia	40,199	0	0	0	40,199
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,680	0	0	20
Netherlands	2,731,827	0	0	2,731,827	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	0	0	0	1,021,713
Panama	0	0	0	0	0
Poland	346,712	0	0	0	346,712
Portugal	698,450	0	0	0	698,450
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovakia	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,452,573	16,950	0	346,112
Switzerland	2,035,052	140,319	0	0	1,894,733
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	0	0	8,525,444	0
United States of America	36,666,667	7,357,525	0	0	29,309,142
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	63,556,502	12,678,036	14,947,499	55,484,630

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
Status of Contributions for 2000
As at 22 November 2002

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,482,261	2,236,561	245,700	0	0
Austria	1,576,118	1,576,118	0	0	0
Azerbaijan	36,849	0	0	0	36,849
Belarus	137,345	0	0	0	137,345
Belgium	1,847,459	1,847,459	0	0	0
Brunei Darussalam	0	0	0	0	0
Bulgaria	31,824	31,824	0	0	0
Canada	4,612,784	3,823,957	788,827	0	0
Cyprus	0	0	0	0	0
Czech Republic	202,668	202,668	0	0	0
Denmark	1,157,383	1,157,383	0	0	0
Estonia	25,124	25,124	0	0	0
Finland	907,817	907,817	0	0	0
France	10,954,107	0	259,179	10,694,928	0
Georgia	0	0	0	0	0
Germany	16,427,810	16,427,810	0	0	0
Greece	587,904	587,904	0	0	0
Hungary	200,993	200,993	0	0	0
Iceland	53,598	53,598	0	0	0
Ireland	375,186	375,186	0	0	0
Israel	577,854	390,244	0	0	187,610
Italy	9,098,273	7,278,618	1,819,655	0	0
Japan	33,471,998	32,636,168	835,833	0	(3)
Kuwait	0	0	0	0	0
Latvia	40,199	40,199	0	0	0
Liechtenstein	10,050	10,050	0	0	0
Lithuania	36,849	0	0	0	36,849
Luxembourg	113,896	113,896	0	0	0
Malta	0	0	0	0	0
Monaco	6,700	6,700	0	0	0
Netherlands	2,731,827	2,731,827	0	0	0
New Zealand	370,162	370,162	0	0	0
Norway	1,021,713	1,021,713	0	0	0
Panama	0	0	0	0	0
Poland	346,712	346,712	0	0	0
Portugal	698,450	698,450	0	0	0
Russian Federation	2,490,635	0	0	0	2,490,635
Singapore	0	0	0	0	0
Slovakia	65,323	65,323	0	0	0
Slovenia	0	0	0	0	0
South Africa	0	0	0	0	0
Spain	4,336,419	4,336,419	0	0	0
Sweden	1,815,635	1,452,508	0	0	363,127
Switzerland	2,035,052	1,955,052	80,000	0	0
Tajikistan	8,375	0	0	0	8,375
Turkmenistan	13,399	0	0	0	13,399
Ukraine	505,832	0	0	0	505,832
United Arab Emirates	0	0	0	0	0
United Kingdom	8,525,444	4,262,723	0	4,262,721	0
United States of America	36,666,667	34,466,667	0	2,200,000	0
Uzbekistan	61,973	0	0	0	61,973
TOTAL	146,666,667	121,637,833	4,029,194	17,157,649	3,841,991

Annex II

SCHEDULE 1.1			
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL			
STATEMENT OF INCOME AND EXPENDITURE FOR YEAR 2001			
(in US Dollars)			
INCOME	2001	*	2000
EXPENDITURE			
			1991- 2001
Agreed contributions	140,876,743		136,843,127
Interest income	17,588,394		25,264,748
Miscellaneous income	439,865		199,414
TOTAL INCOME	158,905,002		162,307,289
			1,504,264,425
UNEP Managed Activities	8,415,275		5,872,005
UNDP Managed Activities	52,491,456		75,629,000
UNIDO Managed Activities	35,540,225		30,462,464
World Bank Managed Activities	38,817,855		119,061,443
Secretariat	3,872,258		3,318,792
Bank Charges and Loss on Exchange	(156,585)		156,585
TOTAL EXPENDITURE	138,980,484		234,500,289
Excess of income over expenditure	19,924,518		(72,193,000)
Prior period adjustments	(301,005)		(86,020)
Net excess of income over expenditure	19,623,513		(72,279,020)
Fund balance, beginning of period	506,686,677		578,965,697
Fund balance, end of period	526,310,190		506,686,677
			526,310,190

NB: (*) Adjustments in the income resulting from the reconciliation exercise between the Multilateral Fund Secretariat, the Implementing Agencies and the Treasurer and reported to the 38th meeting of the Executive committee have yet to be incorporated by UNON.

SCHEDULE 1.2		
MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL		
STATEMENT OF ASSETS AND LIABILITIES		
AS AT 31 DECEMBER 2001		
(in US Dollars)		
ASSETS	31.12.2001	31.12.2000
Cash and term deposits	96,205,222	47,483,975
Voluntary pledges receivable	139,764,005	304,338,127
Inter-fund balance receivable	0	2,704,671
Other accounts receivable	478,392	1,085,631
Provision for doubtful debt	0	(98,910)
Other assets - deferred charges	4,618	8,775
Promissory notes	95,184,037	84,829,997
Operating funds provided to implementing agencies	197,046,342	214,514,504
TOTAL ASSETS	528,682,616	654,866,770
LIABILITIES		
Deferred credits	1,406,657	146,666,667
Reserve for obligations	169,564	472,220
Inter-fund balance payable	273,685	0
Other accounts payable	522,520	1,041,206
TOTAL LIABILITIES	2,372,426	148,180,093
RESERVES AND FUND BALANCES		
Financial reserves	526,310,190	506,686,677
TOTAL RESERVES AND FUND BALANCES	526,310,190	506,686,677
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	528,682,616	654,866,770

Schedule 1.3

2001 ACCOUNTS OF THE MULTILATERAL FUND SECRETARIAT

A. 2001 Expenditures for Account MFL 2336-2211-2661: Secretariat's Main Account					
			Approved Budget	Actual Expenditure	Savings/ (Deficit)
10	PROJECT PERSONNEL COMPONENT				
	<i>1100</i>	<i>Project Personnel</i>			
	1101	Chief Officer (D-2)	122,000	134,139	(12,139)
	1102	Deputy Chief Officer (Economic Cooperation) (P-5)	110,000	115,221	(5,221)
	1103	Deputy Chief Officer (Technical Cooperation) (P-5)	110,000	118,432	(8,432)
	1104	Economic Affairs Officer (P-4/5)	110,000	88,601	21,399
	1105	Environmental Affairs Officer (P-4/5)	110,000	97,294	12,706
	1106	Project Management Officer (P-4/5)	110,000	104,641	5,359
	1107	Project Management Officer (P-4/5)	110,000	104,415	5,585
	1108	Information Management Officer (P-3)	81,000	75,493	5,507
	1109	Administrative and Fund Management Officer (P-4)	95,000	92,249	2,751
	1110	Senior Monitoring and Evaluation Officer (P-5)	110,000	122,883	(12,883)
	1111	Executive Assistant to Chief Officer (P-2)	55,000	0	55,000
	<i>1199</i>	<i>Sub-total</i>	<i>1,123,000</i>	<i>1,053,369</i>	<i>69,631</i>
	<i>1200</i>	<i>Consultants</i>			
	1201	Projects and technical reviews etc	150,000	143,616	6,384
	<i>1299</i>	<i>Sub-total</i>	<i>150,000</i>	<i>143,616</i>	<i>6,384</i>
	<i>1300</i>	<i>Administrative Support Staff costs</i>			
	1301	Administrative Assistant (G-8)	45,000	45,414	(414)
	1302	Meetings Services Assistant (G-7)	41,000	35,827	5,173
	1303	Programme Assistant (G-8)	45,000	64,942	(19,942)
	1304	Senior Secretary (Deputy Chief, Economic Cooperation) (G-6)	37,000	38,137	(1,137)
	1305	Senior Secretary (Deputy Chief, Technical Cooperation) (G-6)	37,000	24,168	12,832
	1306	Computer Operations Assistant (G-7/G-8)	45,000	64,839	(19,839)
	1307	Secretary (to 2 Programme Officers) (G-6)	37,000	38,557	(1,557)
	1308	Secretary/Clerk, Administration (G-5)	32,000	24,431	7,569
	1309	Registry Clerk (G-4)	26,000	38,333	(12,333)
	1310	Database Assistant (G-8)	45,000	32,352	12,648
	1311	Secretary, Monitoring and Evaluation, (G-5/G-6)	36,000	30,509	5,491

			Approved	Actual	Savings/
			Budget	Expenditure	(Deficit)
	1301-11	<i>Sub-total (support staff costs)</i>	426,000	437,509	(11,509)
	1333	Executive Committee - (ExCom 33-35)	500,000	512,266	(12,266)
	1333	<i>Sub-total (conference servicing)</i>	500,000	512,266	(12,266)
	1399	<i>Sub-total</i>	926,000	949,775	(23,775)
	1600	<i>Travel on Official Missions</i>			
	1601	Mission costs	160,000	97,844	62,156
	1699	<i>Sub-total</i>	160,000	97,844	62,156
1999	COMPONENT TOTAL		2,359,000	2,244,604	114,396
20	SUB-CONTRACTS COMPONENT				
	2100	<i>Sub-Contracts with UN Agencies:</i>			
	2101	Information materials	30,000	0	30,000
	2199	<i>Sub-total</i>	30,000		30,000
	2300	<i>Sub-Contracts with Profit Making Institutions</i>			0
	2301	Corporate Consultancies	0		0
	2399	<i>Sub-total</i>	0		0
2999	COMPONENT TOTAL		30,000	0	30,000
30	MEETINGS PARTICIPATION COMPONENT				
	3300	<i>Assistance to Participants from Developing Countries</i>			
	3301	Travel of Chairman / Vice-Chairman	30,000	18,564	11,436
	3304	Informal Sub-group meetings	30,000	8,064	21,936
	3333	Executive Committee meetings - 2001	225,000	206,272	18,728
	3399	<i>Sub-total</i>	285,000	232,899	52,101
3999	COMPONENT TOTAL		285,000	232,899	52,101
40	EQUIPMENT COMPONENT				
	4100	<i>Expendables</i>			
	4101	Office stationery etc	15,000	14,531	469
	4102	Software & Computer expendables	9,000	3,953	5,047
	4199	<i>Sub-total</i>	24,000	18,484	5,516
	4200	<i>Non-expendable Equipment</i>			
	4201	Computer, printers etc.	10,000	11,405	(1,405)
	4202		5,000	303	4,697
	4299	<i>Sub-total</i>	15,000	11,708	3,292
	4300	<i>Rental of premises</i>			
	4301	Rental of office premises	307,000	306,532	468
	4399	<i>Sub-total</i>	307,000	306,532	468
4999	COMPONENT TOTAL		346,000	336,724	9,276
50	MISCELLANEOUS COMPONENT				
	5100	<i>Operations and Maintenance</i>			
	5101	Computers, printers etc	12,000	6,934	5,066
	5102	Office premises	9,000	3,262	5,738
	5103	Rental of Photocopiers	15,000	14,916	84

			Approved Budget	Actual Expenditure	Savings/ (Deficit)
	5104	Telecommunications equipment	9,000	2,731	6,269
	5105	Miscellaneous equipment rentals	9,000	9,671	(671)
	5199	<i>Sub-total</i>	<i>54,000</i>	<i>37,513</i>	<i>16,487</i>
	5200	<i>Reporting Costs</i>			
	5201	Executive Committee meetings			
	5202	Reporting (others)	20,000	20,240	(240)
	5299	<i>Sub-total</i>	<i>20,000</i>	<i>20,240</i>	<i>(240)</i>
	5300	<i>Sundry</i>			
	5301	Communications	40,000	23,371	16,629
	5302	Freight charges	15,000	13,946	1,054
	5303	Bank charges	5,000	3,166	1,834
	5305	Staff training	38,000	1,707	36,293
	5399	<i>Sub-total</i>	<i>98,000</i>	<i>42,190</i>	<i>55,810</i>
	5400	<i>Hospitality</i>			
	5401	Official hospitality	10,000	7,444	2,556
	5499	<i>Sub-total</i>	<i>10,000</i>	<i>7,444</i>	<i>2,556</i>
5999	COMPONENT TOTAL		182,000	107,387	74,614
99	PROJECT TOTAL		3,202,000	2,921,613	280,387
		<i>Programme Support Costs</i>	<i>201,370</i>	<i>193,814</i>	<i>7,556</i>
		GRAND TOTAL	3,403,370	3,115,427	287,943
B. <u>2001 Expenditures for Account MFL 2336-2212-2661: Monitoring and Evaluation</u>					
	1201	Projects and technical reviews etc.	269,618	143,504	126,114
	1601	Travel on Official business	97,356	44,260	53,096
	4101	Office Stationery	4,562	318	4,244
	4201	Non Expendable Computer Equipment	10,347	169	10,178
	5105	Miscellaneous Equipment Rentals	4,018	565	3,453
	5201	Executive Committee Meetings	6,640	0	6,640
	5301	Communications	11,669	770	10,899
	ACCOUNT TOTAL		404,210	189,585	214,625
C. <u>2001 Expenditures for Account MFL 2336-2213-2661: Technical Audits Production</u>					
<u>Sector</u>					
	2300	<i>Sub-Contracts with Profit Making Institutions</i>			
	2301	Corporate Consultancies	108,148	0	108,148
	ACCOUNT TOTAL		108,148	0	108,148
	TOTAL FOR ALL ACCOUNTS		3,915,728	3,323,683	592,045

Schedule 1.4

**MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**

UNDP Managed Activities in 1991 - 2001 (in US\$)

INCOME	2001	2000	1991-2001
Cash transferred from the Multilateral Fund	37,229,381	23,038,421	287,267,802
Promissory notes encashed	0	0	0
Promissory notes encashments losses/gains	0	0	0
Promissory notes held	0	0	31,150,012
Interest earned and retained	2,664,073	3,039,689	30,892,123
Other Income	4,125	111	135
TOTAL INCOME	39,897,579	26,078,221	349,310,072
TOTAL EXPENDITURE	44,497,202	47,882,198	284,500,873
EXCESS OF INCOME OVER EXPENDITURE	(4,599,623)	(21,803,977)	64,809,199
Prior period adjustments			4,003,762
NET EXCESS OF INCOME OVER EXPENDITURE	(4,599,623)	(21,803,977)	68,812,961
FUND BALANCE	2001	2000	1991-2001
Fund balance, beginning of period	73,412,584	95,216,561	
Add excess of income over expenditure	(4,599,623)	(21,803,977)	
Fund balance, end of period	68,812,961	73,412,584	68,812,961
COMPARISON TO PROGRESS REPORTING			1991-2001
Total expenditure reported to the Treasurer			284,500,873
Less programme support costs			(30,140,211)
Less Other Expenditure			(598,419)
Less unliquidated obligations, end of period			(18,305,334)
Net disbursements reported to the Treasurer			235,456,909
Net disbursements reported to Executive Committee			233,911,450
Difference(*)			1,545,459

NB: (*) Explanatory notes:

- 1) Disbursements of \$596,500 for Start-Up costs which is excluded from the total disbursements reported on the UNDP Progress Report.
- 2) Expenditure of \$1,025,190 related to MLF implementation activity, not yet apportioned to relative projects.
- 3) Net Accounting adjustments of \$(76,231) for prior year expenditure related to cost sharing, sub-trust funds, and other misclassifications.

Schedule 1.5

**MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**

UNEP Managed Activities in 1991 - 2001 (in US\$)

INCOME	2001	2000	1991-2001
Cash transferred from the Multilateral Fund (1)	5,565,154	1,278,484	47,043,638
Promissory notes encashed	0	0	0
Promissory notes encashments losses/gains	0	0	0
Promissory notes held	0	0	1,006,383
Interest earned and retained	616,344	417,490	3,315,672
TOTAL INCOME	6,181,498	1,695,974	51,365,693
TOTAL EXPENDITURE			42,597,844
EXCESS OF INCOME OVER EXPENDITURE			8,767,849
Prior period adjustments			
NET EXCESS OF INCOME OVER EXPENDITURE			
FUND BALANCE	2001	2000	1991-2001
Fund balance, beginning of period			
Add excess of income over expenditure			
Fund balance, end of period			
COMPARISON TO PROGRESS REPORTING			1991-2001
Total expenditure reported to the Treasurer			45,971,979
Less programme support costs			(5,281,887)
Less unliquidated obligations, end of period			(2,617,842)
Net disbursements reported to the Treasurer			38,072,250
Net disbursements reported to Executive Committee			37,697,207
Difference(*)			375,043

NB: (*) Explanatory notes:

(*) - The UNEP figures arise from the old project management system which was used to prepare the 2001 progress report and has not yet been brought in line with the new IMIS system. The correction has been made in 2002

(1) - The total cash transferred by the MFS does not agree to the UNEP records as most of the 2001 entries have actually been effected in 2002.

Schedule 1.6

**MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL**

UNIDO Managed Activities in 1991 - 2001 (in US\$)

INCOME	2001	2000	1991-2001
Cash transferred from the Multilateral Fund	32,728,000	14,925,740	232,653,740
Promissory notes encashed	0	0	0
Promissory notes encashments losses/gains	0	0	0
Promissory notes held	0	0	20,264,334
Interest earned and retained	2,290,270	2,337,327	22,607,135
TOTAL INCOME	35,018,270	17,263,067	275,525,209
TOTAL EXPENDITURE	35,540,124	30,462,464	226,758,247
EXCESS OF INCOME OVER EXPENDITURE	(521,854)	(13,199,397)	48,766,962
Prior period adjustments			
NET EXCESS OF INCOME OVER EXPENDITURE	(521,854)	(13,199,397)	48,766,962
FUND BALANCE	2001	2000	1991-2001
Fund balance, beginning of period	29,024,483	42,223,880	0
Add excess of income over expenditure	(521,854)	(13,199,397)	48,766,962
Fund balance, end of period	28,502,629	29,024,483	48,766,962
COMPARISON TO PROGRESS REPORTING			1991-2001
Total expenditure reported to the Treasurer*			226,758,247
Less programme support costs			25,636,131
Less unliquidated obligations, end of period			21,113,519
Net disbursements reported to the Treasurer			180,008,597
Net disbursements reported to Executive Committee			180,008,597
Difference			0

NB: (*) Explanatory notes:

The total expenditure reported to the 37th Executive Committee included Japanese bilateral project. This was excluded and reported to the Treasurer after adjustments as indicated above

Schedule 1.7**MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL
PROTOCOL****World Bank Managed Activities in 1991 - 2001 (in US\$)**

INCOME	2001	2000	1991-2001
Cash transferred from the Multilateral Fund	24,545,706	40,117,830	307,663,536
Promissory notes encashed	14,914,876	9,470,995	154,330,337
Promissory notes encashments losses/gains			
Promissory notes held			
Interest earned and retained	7,835,561	7,612,597	45,521,535
TOTAL INCOME	47,296,143	57,201,422	507,515,408
TOTAL EXPENDITURE	38,778,965	82,483,039	391,105,702
EXCESS OF INCOME OVER EXPENDITURE	8,517,178	(25,281,617)	116,409,706
Prior period adjustments			
NET EXCESS OF INCOME OVER EXPENDITURE			
FUND BALANCE	2001	2000	1991-2001
Fund balance, beginning of period	107,892,528	133,174,145	0
Add excess of income over expenditure	8,517,178	(25,281,617)	116,409,706
Fund balance, end of period	116,409,706	107,892,528	116,409,706
COMPARISON TO PROGRESS REPORTING			1991-2001
Total expenditure reported to the Treasurer			391,105,702
Less programme support costs			(44,052,030)
Less unliquidated obligations, end of period			0
Net disbursements reported to the Treasurer			347,053,672
Net disbursements reported to Executive Committee			349,050,727
Difference(*)			(1,997,055)
NB: (*) Explanatory notes:			
The differences came from netting out project preparation and country program (20,849,254) and adding funds undisbursed held in Special Accounts.			

Annex III**REVISED BUDGET FOR 2003 AND PROVISIONS FOR STAFF SALARY COSTS FOR 2004 AND 2005**

					2003	2004	2005
10	PERSONNEL COMPONENT						
1100	Project Personnel (Title & Grade)						
	01	Chief Officer		D. 2	129,430	133,313	139,979
	02	Deputy Chief Officer (Economic Cooperation)		P. 5	116,699	120,200	126,210
	03	Deputy Chief officer (Technical Cooperation)		P. 5	116,699	120,200	126,210
	04	Senior Project Management Officer		P. 5	116,699	120,200	126,210
	05	Senior Project Management Officer		P. 5	116,699	120,200	126,210
	06	Senior Project Management Officer		P. 5	116,699	120,200	126,210
	07	Senior Project Management Officer		P. 5	116,699	120,200	126,210
	08	Information Management Officer		P. 3	85,933	88,511	92,936
	09	Admin & Fund Management Officer		P. 4	100,786	103,809	109,000
	10	Senior Monitoring and Evaluation Officer		P. 5	116,699	120,200	126,210
	11	Associate Executive Assistant		P.2	58,350	60,100	63,105
1199	Sub-Total				1,191,391	1,227,133	1,288,489
1200	Consultants						
	01	Technical and project review			150,000		
1299	Sub-Total				150,000		
1300	Administrative Support Personnel						
	01	Admin Assistant		G.8	46,818	47,000	49,350
	02	Meeting Services Assistant		G.7	42,656	43,000	45,150
	03	Programme Assistant		G.8	46,818	47,000	49,350
	04	Senior Secretary (Deputy Chief, EC)		G.6	38,495	39,000	40,950
	05	Senior Secretary (Deputy Chief, TC)		G.6	38,495	39,000	40,950
	06	Computer Operations Assistant		G.8	46,818	47,000	49,350
	07	Secretary (Prog. Officers -2)		G.6	38,495	39,000	40,950
	08	Secretary/Clerk, Administration		G.5	33,293	34,000	35,700
	09	Registry Clerk		G.4	27,050	28,000	29,400
	10	Database Assistant		G.8	46,818	47,000	49,350
	11	Secretary, Monitoring & Evaluation		G.6	37,454	39,000	40,950
	Sub-Total				443,210	449,000	471,450
1320	Conference Servicing Cost					-	-
1333	Meeting Services: ExCom (3) & Sub-Committees (6) (*)				600,000		
1335	Temporary assistance (**)				50,000		
1399	TOTAL ADMINISTRATIVE SUPPORT COST				1,093,210	449,000	471,450
1600	Travel on official business					-	-
	01	Mission Costs			160,000		
19	COMPONENT TOTAL				2,594,601	1,676,133	1,759,939

		2003	2004	2005
20	CONTRACTUAL COMPONENT			
2100	Sub-contracts			
01	Information Materials	30,000		-
29	COMPONENT TOTAL	30,000		-
30	MEETING PARTICIPATION COMPONENT			
3300	Travel & DSA for Art 5 delegates to ExCom Meetings			
01	Travel of Chairperson and Vice-Chairperson	30,000		-
02	Executive Committee (3) & Sub-Committees (6)	225,000		-
03	Informal Sub-Group Meetings	30,000		-
39	COMPONENT TOTAL	285,000		-
40	EQUIPMENT COMPONENT			
4100	Expendables			
01	Office Stationery	15,000		-
02	Software	9,000		-
	Sub-Total	24,000		-
4200	Non-Expendable Equipment			
01	Computers, printers	10,000		-
02	Others	5,000		-
	Sub-Total	15,000		-
4300	Premises			
01	Rental of office premises	310,000		-
49	COMPONENT TOTAL	349,000		-

		2003	2004	2005
MISCELLANEOUS COMPONENT				
51	Operation and Maintenance of Equipment			
	01 Computers and printers, etc.	9,000		-
	02 Maintenance of office premises	9,000		-
	03 Rental of photocopiers	15,000		-
	04 Telecommunication equipment	9,000		-
	05 Network maintenance	12,000		-
	Sub-total	54,000		-
52	Reporting Costs			
	01 Executive Committee meetings			
	02 Others	20,000		-
	Sub-total	20,000		-
53	Sundries			
	01 Communications	40,000		-
	02 Freight Charges	15,000		-
	03 Bank Charges	5,000		-
	04 Staff training (carried over)	38,000		-
	Sub-total	98,000		-
54	01 Hospitality costs	10,000		
59	COMPONENT TOTAL	182,000		
GRAND TOTAL		3,440,601	1,676,133	1,759,939
Programme Support Costs (13%) (applied to budget lines 11 and 13.01 to 13.11 only)		212,498	217,897	228,792
Less	Cost covered by Government of Canada ***	(350,000)	(350,000)	(350,000)
COST TO MULTILATERAL FUND		3,303,099	1,544,030	1,638,731

(*) Additional UD \$100,000 to cover increased translation costs

(**) New line for assistance on tasks which do not require permanent staffing

(***) Contribution of the Government of Canada is to offset cost differentials for having the Secretariat in Montreal as opposed to Nairobi

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
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
PRODUCTION					
CFC closure					
CFC production closure plan <i>In accordance with the agreement between the Government of Argentina and the Executive Committee approved at the 38th Meeting</i>	IBRD		\$500,000	\$20,000	\$520,000

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening project	UNDP	25.7	\$311,610	\$40,509	\$352,119
Total for Argentina		254.4	\$2,296,613	\$237,063	\$2,533,676
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
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)	UNIDO	112.6	\$522,982	\$67,528	\$590,510
<i>Approved on the understanding that the project will not commence until the legislation controlling CFCs import will be in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar</i>					
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	UNDP	6.0	\$184,416	\$23,974	\$208,390
<i>Approved taking into consideration that the RMP update has been prepared according to Decisions 31/48 and 32/28</i>					
Total for Chad		6.0	\$184,416	\$23,974	\$208,390

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)	
			Project	Support		
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	IBRD	2,500.0	\$12,570,000	\$1,115,300	\$13,685,300	5.03
<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>						
HALON						
Banking						
Sector plan for halon phase out in China, 2003 Annual Programme	IBRD	2,292.0	\$5,900,000	\$442,500	\$6,342,500	2.57
<i>1,992 ODP tonnes will be reduced in the halon production sector</i>						
PROCESS AGENT						
Process conversion						
Phase out the production and consumption of CTC for process agent and other non-identified uses (phase I)	IBRD		\$2,000,000	\$150,000	\$2,150,000	
<i>In accordance with the agreement between the Government of China and the Executive Committee approved at the 38th Meeting</i>						
PRODUCTION						
Preparation of project proposal						
Project preparation funds for CTC and TCA production closure plan	IBRD		\$150,000	\$19,500	\$169,500	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1

Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
REFRIGERATION					
Domestic					
Sector plan CFC final phase-out: domestic refrigeration and domestic refrigeration compressors	UNIDO	600.0	\$3,400,000	\$299,200	\$3,699,200 5.67
<p><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></p>					
Sector plan CFC final phase-out: domestic refrigeration and domestic refrigeration compressors	Italy	181.0	\$1,788,991	\$161,009	\$1,950,000 9.88
<p><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></p>					
SEVERAL					
Institutional strengthening					
Extension of institutional strengthening (Phase V)	UNDP	32.2	\$390,000	\$50,700	\$440,700
Total for China		5,605.2	\$26,198,991	\$2,238,209	\$28,437,200

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

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 approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

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 Ecuador		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 Egypt		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 Salvador			\$57,980		\$57,980
GHANA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening (Phase 5)	UNDP		\$139,100	\$18,083	\$157,183
Total for Ghana			\$139,100	\$18,083	\$157,183

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1

Annex IV

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
<p><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></p>					
Total for Guatemala		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
<p><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></p>					
Total for Haiti			\$50,000		\$50,000
INDIA					
AEROSOL					
Contract filler					
Terminal umbrella project aerosol sector	UNDP	132.5	\$583,000	\$74,130	\$657,130 4.40
<p><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></p>					

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
PRODUCTION					
Preparation of project proposal					
Project preparation funds for CTC production closure plan	IBRD		\$90,000	\$11,700	\$101,700
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

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1

Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
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
JORDAN					
PHASE-OUT PLAN					
ODS phase out plan					
National ODS phase out plan: aerosol, foam, MAC service and solvent sectors	IBRD	149.7	\$590,000	\$74,900	\$664,900 3.94
<p><i>Approved on the understanding that the Government of Jordan commits to the complete phase-out in the consumption of Annex A, Group I and Annex B Group II substances used in Jordan by 2009; the Government of Jordan agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of controlled substances. The Executive Committee agrees to provide Jordan with flexibility in using the agreed funds consistent with operational procedures as agreed between Jordan and the agencies (UNIDO and the World Bank) in the National ODS Phase-out Plan. The Government of Jordan agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year. The lead implementing agency, the World Bank, will be responsible for reporting annually on the implementation of all activities funded under the National ODS Phase out Plan; and providing verification to the Executive Committee annually that ODS consumption phase-out in the National Phase-out Plan has been completed based on the schedules listed in the table above</i></p>					
National ODS phase out plan: commercial manufacturing and servicing, and transport refrigeration	UNIDO	41.0	\$410,000	\$53,300	\$463,300 10.00
<p><i>Approved on the understanding that the Government of Jordan commits to the complete phase-out in the consumption of Annex A, Group I and Annex B Group II substances used in Jordan by 2009; the Government of Jordan agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of controlled substances. The Executive Committee agrees to provide Jordan with flexibility in using the agreed funds consistent with operational procedures as agreed between Jordan and the agencies (UNIDO and the World Bank) in the National ODS Phase-out Plan. The Government of Jordan agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year.</i></p>					
Total for Jordan		190.7	\$1,000,000	\$128,200	\$1,128,200

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

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, DPR	158.8	\$1,336,126	\$171,577	\$1,507,703
KUWAIT						
REFRIGERATION						
Recovery/recycling						
Implementation of the RMP: national recovery and recycling project <i>Project approved at the 37th Meeting of the Executive Committee. A adjustment of the agency support cost</i>	UNIDO		\$0	\$35,905	\$35,905	
		Total for Kuwait		\$35,905	\$35,905	
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, PDR	16.3	\$139,343	\$18,115	\$157,458

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E.
			Project	Support	Total (US\$/kg)
LEBANON					
FUMIGANT					
Methyl bromide					
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
Phase-out of methyl bromide (strawberries): release of second tranche	UNIDO	10.1	\$421,946	\$54,853	\$476,799
	Total for Lebanon	41.9	\$1,021,946	\$130,853	\$1,152,799
LIBYA					
SEVERAL					
Preparation of project proposal					
Preparation of a national ODS phase-out plan	UNIDO		\$40,000	\$5,200	\$45,200
	Total for Libya		\$40,000	\$5,200	\$45,200
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: train the trainer programme for service	UNEP		\$35,000	\$4,550	\$39,550
	Total for Maldives	3.5	\$200,000	\$26,000	\$226,000
MEXICO					
PRODUCTION					
Technical assistance/support					
Closure of CFC production facilities of the company Quimobasicos	UNIDO		\$38,000	\$4,940	\$42,940
SEVERAL					
Country programme/country survey					
Preparation of the country programme update	UNDP		\$48,046	\$6,246	\$54,292
	Total for Mexico		\$86,046	\$11,186	\$97,232

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1

Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
MOROCCO					
SEVERAL					
Country programme/country survey					
Preparation of the country programme update	UNIDO		\$40,000	\$5,200	\$45,200
	Total for Morocco		\$40,000	\$5,200	\$45,200
NIGERIA					
PHASE-OUT PLAN					
CFC phase out plan					
National CFC phase-out plan: foam sector	UNDP		\$4,200,400	\$379,100	\$4,579,500
<i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>					
National CFC phase-out plan: refrigeration manufacturing	UNIDO		\$682,386	\$82,521	\$764,907
<i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>					
National CFC phase-out plan: refrigeration servicing sector	UNDP		\$813,529	\$70,218	\$883,747
<i>In accordance with the agreement between the Government of Nigeria and the Executive Committee approved at the 38th Meeting</i>					
SEVERAL					
Technical assistance/support					
Assistance 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	\$5,764,315	\$540,679	\$6,304,994
PANAMA					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening- phase 3	UNEP		\$149,500	\$0	\$149,500
	Total for Panama		\$149,500		\$149,500

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
PHILIPPINES					
PHASE-OUT PLAN					
CFC phase out plan					
National CFC phase out plan <i>In accordance with the agreement between the Government of Philippines and the Executive Committee approved at the 38th Meeting</i>	IBRD		\$2,858,473	\$248,663	\$3,107,136
National CFC phase out plan (sewicing sector) <i>In accordance with the agreement between the Government of Philippines and the Executive Committee approved at the 38th Meeting</i>	Sweden		\$152,400	\$11,316	\$163,716
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 <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>	UNEP		\$30,000	\$0	\$30,000
Total for Sao Tome and Principe			\$30,000		\$30,000
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	\$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

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
REFRIGERATION					
Domestic					
Plan for elimination of CFCs in the refrigeration manufacturing sector (domestic refrigeration)	UNIDO	51.0	\$353,100	\$40,590	\$393,690 6.95
<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>					
Multiple-subsectors					
Plan for elimination of CFCs in the refrigeration manufacturing sector (except domestic refrigeration)	UNDP	246.2	\$1,665,188	\$191,422	\$1,856,610 6.76
<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>					
	Total for Syria	313.2	\$2,150,488	\$249,198	\$2,399,686
TOGO					
REFRIGERATION					
Refrigerant management plan					
Implementation of the refrigerant management plan: training of customs officers	UNEP		\$43,500	\$5,655	\$49,155
Implementation of the refrigerant management plan: training of refrigeration technicians	UNEP		\$64,000	\$8,320	\$72,320

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)	
			Project	Support		
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 measures have been taken to ensure that 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: 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: monitoring of the activities included in the RMP	UNDP		\$15,000	\$1,950	\$16,950	
	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	
TURKEY						
HALON						
Banking						
Halon management programme, halon recovery, recycling and banking <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 IV/25 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>	IBRD		\$439,250	\$57,103	\$496,353	
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	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
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
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	1.5	\$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: AFR		1.5	\$550,000	\$70,500	\$620,500

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex IV

Project Title	Agency	ODP (tonnes)	Funds recommended (US\$)		C.E. Total (US\$/kg)
			Project	Support	
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: ASP			\$125,000	\$16,250	\$141,250
GLOBAL					
SEVERAL					
Programme administration					
Compliance assistance programme: 2003 work programme <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>	UNEP		\$5,830,885	\$466,471	\$6,297,356
Core unit (2003)	IBRD		\$1,500,000	\$0	\$1,500,000
Core unit (2003)	UNDP		\$1,500,000	\$0	\$1,500,000
Core unit (2003)	UNIDO		\$1,500,000	\$0	\$1,500,000
Total for Global			\$10,330,885	\$466,471	\$10,797,356
GRAND TOTAL		8,926.0	\$79,612,389	\$7,418,170	\$87,030,559

Summary

UNEP/OzL.Pro/ExCom/38/70/Rev.
Annex IV

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	\$16,287,866	\$1,568,294	\$17,856,160
Fumigant	887.0	\$9,191,420	\$1,082,095	\$10,273,515
Halon	2,295.0	\$6,379,250	\$504,803	\$6,884,053
Process agent		\$2,000,000	\$150,000	\$2,150,000
Production		\$500,000	\$20,000	\$520,000
Refrigeration	1,796.0	\$16,891,485	\$1,744,436	\$18,635,921
Solvent	212.7	\$1,997,968	\$254,380	\$2,252,348
Phase-out plan	190.7	\$9,554,788	\$908,702	\$10,463,490
TOTAL:	8,604.3	\$63,545,937	\$6,327,660	\$69,873,597
WORK PROGRAMME AMENDMENT				
Aerosol		\$70,000	\$9,100	\$79,100
Fumigant	1.5	\$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	\$12,820,833	\$749,635	\$13,570,468
TOTAL:	135.0	\$13,860,379	\$883,776	\$14,744,155
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	5,421.2	\$32,805,507	\$2,830,430	\$35,635,937
UNDP	1,192.4	\$19,578,041	\$1,917,528	\$21,495,569
UNEP		\$6,508,595	\$491,496	\$7,000,091
UNIDO	2,125.7	\$18,514,173	\$1,971,983	\$20,486,156
GRAND TOTAL	8,926.0	\$79,612,389	\$7,418,170	\$87,030,559

ADJUSTMENTS APPROVED AT THE 38TH MEETING FOR PROJECTS AND ACTIVITIES

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
<i>Funds returned to the 38th Meeting pursuant to Decision 38/7(a)(ii)</i>			
IBRD	1,147,692	90,210	1,237,902
UNDP	283,783	30,468	314,251
UNEP	174,000	22,620	196,620
UNIDO	1,770,088	232,629	2,002,717
Sub-Total	3,375,563	375,927	3,751,490
<i>Reconciliation of Accounts adjustments pursuant to Decision 38/9(b)</i>			
IBRD			5,271,991
UNDP			1,103,805
UNEP			123,196
UNIDO			5,373,340
Sub-Total			11,872,332
SUMMARY OF ADJUSTMENTS			
IBRD			6,509,893
UNDP			1,418,056
UNEP			319,816
UNIDO			7,376,057
TOTAL ADJUSTMENTS			15,623,822

NET TRANSFERS TO IMPLEMENTING AGENCIES PER 38TH MEETING DECISIONS

IBRD*			27,966,064
UNDP			20,077,513
UNEP			6,680,275
UNIDO			13,110,099
TOTAL TRANSFERS			67,833,951

* The transfer to the World Bank is further adjusted by the amount of US\$1,159,980 pursuant to Decision 38/7 (c).

Annex V

AGREEMENT FOR THE NATIONAL CFC PHASE-OUT PLAN FOR THE PHILIPPINES

1. The Executive Committee approves in principle a total of US \$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 substances 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 substances 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 US \$)

	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	10,216,876
WB support costs	-	248,663	160,968	186,006	248,588	20,795	5,500	-		870,520
Agreed funding (Swedish Component II)	-	152,400	166,134	40,000	0	0	0	0	0	358,534
Swedish bilateral support costs	-	11,316	12,952	2,000	0	0	0	0	0	26,268
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	896,788
Total cost to the MLF		3,270,852	2,217,472	2,388,077	3,121,785	358,512	115,500	0	0	11,472,198

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 US \$3,010,873 to the Philippines plus agency support costs of US \$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 substances 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 US \$10,480 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 World Bank 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 substances 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 as a 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 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 VI

**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 VII

2003 CAP Budget - Paris and Regions (Global budget)

					2002 (US\$)*	2003 (US\$)	
10 PROJECT COMPONENT	PERSONNEL						
1100	Project personnel*						
		Title	Location	Grade			
	1101	Chief	Paris	D1	132,000	137,280	
	1102	Network and Policy Manager	Paris	P5	150,500	156,520	
	1103	Capacity Building Manager	Paris	P4	129,500	134,680	
	1104	Information Manager	Paris	P4	129,500	134,680	
	1105	Monitoring and Administration Officer	Paris	P3	108,500	112,840	
	1106	Information Officer	Paris	P3	108,500	112,840	
	1107	HelpDesk Officer	Paris	P1	87,500	91,000	
	1108	IS/RMP/NCAP Officer	Paris	P3	108,500	112,840	
	1109	IT specialist	Paris	P3	54,250	56,420	
	1110	RNC Africa (English Speaking)	Nairobi	P3/P4	118,400	123,136	
	1111	Policy/enforcement Officer	Nairobi	P3/P4	118,400	123,136	
	1112	RMP implementation officer	Nairobi	P2/P3	92,200	95,888	
	1113	MBr phase-out officer	Nairobi	P2/P3	92,200	95,888	
	1114	RNC LAC	Mexico	P3/P4	108,864	113,219	
	1115	Policy/enforcement Officer	Mexico	P3/P4	108,864	113,219	
	1116	RMP implementation officer	Mexico	P2/P3	89,586	93,169	
	1117	MBr phase-out officer	Mexico	P2/P3	89,586	93,169	
	1118	RNC SA	Bangkok	P3/P4	110,000	114,400	
	1119	Policy/enforcement Officer	Bangkok	P3/P4	110,000	114,400	
	1120	RMP implementation officer	Bangkok	P2/P3	85,000	88,400	
	1121	MBr phase-out officer	Bangkok	P2/P3	85,000	88,400	
	1122	RNC WA	Bahrain	P3/P4	109,000	113,360	
	1123	RMP implementation officer	Bahrain	P3/P4	109,000	113,360	
	1124	Halon Phaseout officer	Bahrain	P2/P3	89,500	93,080	
	1125	RNC Africa (French Speaking)	Nairobi	P3/P4	118,400	123,136	
1199	Sub-total					2,642,750	2,748,460

* Approved by Decision 35/36

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex VII

1200	<i>Consultants (Description of activity/service)</i>						
	1201	Consultants (training of CAP staff)			0	60,000	
1299	<i>Sub-total</i>				0	60,000	
1300	<i>Programme Assistance (General Service staff)*</i>						
		Title/Description	Location	Level			
	1301	Secretary Chief	Paris	G6	74,000	76,960	
	1302	Assistant Network Manager	Paris	G5	67,000	69,680	
	1303	Assistant Clearinghouse	Paris	G5	67,000	69,680	
	1304	Assistant Monitoring	Paris	G5	67,000	69,680	
	1305	Assistant IS/RMP	Paris	G5	67,000	69,680	
	1306	Programme assistant	Paris	G5	67,000	69,680	
	1307	Technical data/documentation assistant	Paris	G5	67,000	69,680	
	1308	Mailroom Clerk	Paris	G4	59,500	0	
	1309	Assistant RNC Nairobi	Nairobi	G5	21,600	22,464	
	1310	ROA Assistance	Nairobi	G5	21,600	22,464	
	1311	Assistant RNC Mexico	Mexico	G5	40,500	42,120	
	1312	ROLAC Assistance	Mexico	G5	40,500	42,120	
	1313	Assistant RNC South Asia	Bangkok	G5	23,000	23,920	
	1314	ROAP Assistance	Bangkok	G5	23,000	23,920	
	1315	Assistant RNC West Asia	Bahrain	G5	35,000	36,400	
	1316	ROWA Assistance	Bahrain	G5	35,000	36,400	
	1317	Temporary Assistance	Paris		100,000	115,880	
1399	<i>Sub-total</i>				875,700	860,728	
1600	<i>Travel on official business (UNEP staff)</i>						
	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	<i>Sub-total</i>				410,000	515,000	
1999	COMPONENT TOTAL				3,928,450	4,184,188	
SUB CONTRACT							
20 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
3999	COMPONENT TOTAL		530,000	624,800
40 EQUIPMENT AND PREMISES COMPONENT				
4100	Expendable equipment (items under US \$1,500 each)			
	4101	Office supplies - Paris	24,000	24,960
	4102	Office supplies - Regions	20,000	36,000
4199	Sub-total		44,000	60,960
4200	Non-expendable equipment			
	4201	Office equipment/Computer hardware - Paris	30,000	31,200
	4202	Office equipment/Computer hardware - Regions	26,000	37,000
4299	Sub-total		56,000	68,200

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex VII

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-out related assistance, as required.
 - ***
 - **** This will cover travel costs to facilitate sending South/South experts or North South experts to assist A5 countries

Annex VIII

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

1. The Executive Committee agrees to approve US \$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.
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 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.
3. 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
2006	41

4. 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.
5. 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%

6. 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.
7. 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 IX

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN KENYA

1. The Executive Committee agrees to approve in principle US \$1,595,811 (of which US \$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)

^(a) 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.

^(b) Excluding methyl bromide imports for quarantine and pre-shipment uses.

^(c) 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

^(a) 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 X

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

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 US \$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 CFC 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	

3. The phase-out of CFCs achieved through the implementation of the Refrigeration (Manufacturing) Sector Plan 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 this Agreement.

4. 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:

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

5. 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 of each year. 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 Plan proceeds as scheduled and agreed in annual implementation programmes.

6. 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 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.

7. 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 9 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.

8. 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 Agencies 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 US \$13,480 per ODP tonne (double the cost-effectiveness value of the programme) of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

9. UNDP is the lead Implementing Agency for the implementation of this Sector 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 US \$500,000 and 11% thereafter for UNIDO share of the total funding level.

10. As the lead implementing agency, UNDP would be responsible for the following:

- (a) Ensuring performance and financial verification in accordance with specific UNDP procedures and requirements as specified in the Refrigeration (Manufacturing) Sector Plan;
- (b) Reporting on the implementation of the annual implementation programmes to be included as part of each annual programme starting with the submission for the 2003 annual implementation programme prepared in 2002;
- (c) Providing verification to the Executive Committee that the control targets listed in Table 1 and the associated activities have been met.
- (d) Ensuring that technical reviews undertaken by UNDP are undertaken by appropriate independent technical experts;
- (e) Assisting India in preparation of annual implementation programmes, which will incorporate achievements in previous annual programmes;

- (f) Carrying out required supervision missions;
- (g) Ensuring the presence of an operating mechanism to enable effective, transparent implementation of the programme, and accurate data reporting;
- (h) Verifying to the Executive Committee that CFC consumption phase-out in the Refrigeration (Manufacturing) Sector has been completed based on the schedules listed in Table 1;
- (i) Ensuring that disbursements are made to India based on agreed performance targets in the project and provisions of this Agreement;
- (j) Providing assistance for policy, management and technical support for implementation of the Sector Plan, as and when required.

Annex XI

**AGREEMENT FOR PHASE-OUT IN THE REFRIGERATION
SECTOR IN INDONESIA**

1. 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 the phase-out of CFCs used 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 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 CFC consumption eligible for funding.

2. The Executive Committee approves in principle a total of US \$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 from ongoing projects	300	300	300	241	0	1,231	
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	3,218	
Annual funding installments (\$)	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.

3. 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 US \$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 US \$3,566,558 plus agency support costs to Indonesia for activities requiring funding up to the end of 2003.

4. 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:

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

5. 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 US \$2,200,000, and the payment in 2004 will be decreased to US \$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.

6. 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.

7. 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.

8. 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 bilateral and 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.

9. 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 Agencies 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 value of the programme) of reductions in consumption not achieved in any year, unless the Executive Committee decides otherwise.

10. 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.

11. As implementing agencies, UNDP and the World Bank will be responsible for the following:

- (a) 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;
- (b) 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

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

Annex XII

AGREEMENT FOR THE NATIONAL CFC PHASE-OUT PLAN FOR NIGERIA

1. The Executive Committee approves in principle a total of US \$13,130,786, excluding agency support costs, in funding for the phased reduction and complete phase-out of consumption of Annex A, Group I substances 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 substances 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.

2. 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 substances 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	560.7	0.0	0.0	0.0	0.0	0.0	0	1689	
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) and Japan bilateral	0.0	0.0	0.0	21.5	5.7	21.5	0.0	21.5	0.0	21.5	0	91.7	
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	1,078,710
	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	-	-	531,839	297,984	183,863	69,261	42,146	32,770	28,228	8,290	0	1,194,381
	Total cost to MLF	-	-	6,228,154	3,529,811	2,261,004	866,383	531,327	417,770	369,428	121,290	0	14,325,167

* The starting point for reductions in consumption is the 1999 reported data of 4,268.8 ODP tonnes.

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

3. 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 US \$5,696,315 plus agency support costs to Nigeria.

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

- (a) Achievement of the consumption limits and reductions specified in Table 1 and the other performance requirements contained in this agreement;
- (b) Compliance with the performance indicators contained in relevant annual implementation programme; and
- (c) Approval of annual implementation programme for the following year.

5. 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.

6. 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.

7. 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 a substantial proportion of 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.

8. 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 substances and will be reported to the Ozone Secretariat pursuant to Article 7 of the Montreal Protocol no later than 30 September of each year.

9. 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.

10. 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 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.

11. 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.

12. 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 Agreement, the implementing agencies 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 US \$10,540 per ODP tonne of reduction not achieved in any year unless the Executive Committee decides otherwise.

13. 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 US \$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.

14. 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.

15. As the lead implementing agency, UNDP will be responsible for the following:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with specific UNDP procedures and requirements as specified in the National CFC Phase-out Plan for Nigeria, 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 Nigeria in preparation of annual implementation programmes;
 - (d) Ensuring that achievements in previous annual programmes are reflected in future programmes;
 - (e) Reporting on the implementation of the annual implementation programmes commencing with the submission for the 2004 annual implementation programme to be prepared and submitted in 2003;
 - (f) Ensuring that technical reviews undertaken by UNDP are carried out by appropriate independent technical experts;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the programme, and accurate data reporting;
 - (i) Verification for the Executive Committee that national Annex A, Group I substances for Nigeria has been completed based on the schedules listed in Table 1;
 - (j) Ensuring that disbursements are made to Nigeria based on agreed performance targets in the annual work programme and provisions in this Agreement; and
 - (k) Providing policy development assistance when required.

16. UNIDO, as co-implementing agency, will:

- (a) Assist the Government of Nigeria in the implementation and verification of the activities funded for UNIDO – namely phase-out in the refrigeration manufacturing sector and in the aerosol sector; and
- (b) Provide reports to UNDP on these activities, for inclusion in the consolidated reports.
- (c) 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	830.3	480	291.8	0.0	0.0	0.0	0	1602.1
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	0.0	58.0	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	845.3	688.0	491.8	200.0	200.0	64.6	0	2,489.7
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	1,382.4	480.0	308.3	0.0	0.0	0.0	0	3,254.6
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	5.7	21.5	0.0	21.5	0.0	21.5	0	91.7
Total annual reduction (ODP tonnes)- all sectors	171.3	429.3	333.5	215.7	1,411.7	709.5	508.3	221.5	200.0	86.1	0	4,286.9

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

UNEP/OzL.Pro/ExCom/38/70/Rev.1
Annex XII

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	TOTAL
UNDP agreed funding - Foam sector	-	-	4,200,400	2,420,000	1,500,000	-	-	-	-	-	0	8,120,400
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 (\$)	-	-	5,013,929	2,976,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	12,193,400
UNDP support costs - 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	-	-	5,696,315	3,231,827	2,077,141	797,122	489,181	385,000	341,200	113,000	0	13,130,786
Total agency support costs	-	-	531,839	297,984	183,863	69,261	42,146	32,770	28,228	8,290	0	1,194,381

Annex XIII

AGREEMENT WITH THE PEOPLE'S REPUBLIC OF CHINA TO PHASE-OUT CTC AND PROCESS AGENTS (PHASE I)

1. This Agreement represents the understanding of The Peoples Republic of China (China) and the Executive Committee with respect to the production and consumption of CTC and CFC-113 as given in Table 2 below.

Table 1. Montreal Protocol Control Measures for CTC Consumption (ODP tonnes)

	Baseline ^{1/}	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Allowable CTC consumption as per the Montreal Protocol control measures	25,359	N/A	N/A	N/A	N/A	3,804	3,804	3,804	3,804	3,804	0 ^{2/}

^{1/} Baseline includes average CTC consumption over 1998-2000.

^{2/} Except for production to meet continued use with minimized emissions as allowed in Decision X/14.

Table 2. Allowable CTC Production and Consumption under this Agreement (ODP tonnes)

	Baseline ^{1/}	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Max allowable sum of production and imports of CTC	86,280	64,152	64,152	61,514	54,857	38,686	32,044	26,457	23,583	17,592	11,990
2. CTC feedstock	N/A	55,319	45,400	45,333	39,306	28,446	21,276	15,129	11,662	5,042	-
3. Max Allowable CTC consumption for other PA applications ^{2/}	N/A	N/A	7,389	7,832	8,302	8,800	9,328	9,888	10,481	11,110	11,997
4. Max allowable CTC consumption in the PA applications in Appendix 2	3,825	4,347	5,049	5,049	5,049	493	493	493	493	493	220
5. Other non identified uses	N/A	N/A	6,314	3,300	2,200	947	947	947	947	947	-
6. Max allowable CFC-113 consumption in the PA sector	17.2	17.2	17.2	17.2	14	14	10.8	8.4	0	0	0
7. MULTILATERAL FUND SUPPORT (in US\$ thousands)											Total \$
8. MLF Funding			2,000	20,000 ^{3/}	16,000 ^{3/}	2,000 ^{3/}	16,000 ^{3/}	5,000 ^{3/}	3,000 ^{3/}	1,000 ^{3/}	65,000
9. Agency support costs			150	1,500	1,200	150	1,200	375	225	75	4,875

^{1/} Baseline includes average CTC consumption over 1998-2000.

^{2/} Applications in Appendix IV.

^{3/} Subject to consideration of the disbursement schedule at the 39th Meeting of the Executive Committee.

2. China agrees to reduce its CTC and CFC-113 consumption in accordance with the annual targets set out in Table 2 of this Agreement. The impact of this project would be 11,143 tonnes

of CTC consumption and a minimum of 52,162 tonnes of CTC production. It is also agreed that so long as the Parties list related uses, China will be eligible and allowed to apply for and receive further funding for the candidate process agent applications identified in Table 2 and defined in Appendix IV that will be considered by the Parties. If the Parties agree to list the candidate applications as process agents, such applications, if they come forward to the Executive Committee would have to be consistent with Decision X/14 and other related decisions that the Parties may approve at their 14th Meeting or later. When any of these applications come forward for funding, they would be funded at a maximum level established consistent with the categorical baselines included in Appendix IV. However, when and if such projects are approved, the CTC consumption limit specified in Table 2 would be modified, specifically by reducing the levels listed in rows 1 and 3 which would be the baseline tonnes with assumed growth of 6% per year.

3. If, during the course of implementation of this Plan, or at any time thereafter, China discovers applications, tonnes of CTC, and/or uses, (including new process agent categories) of CTC not otherwise explicitly covered in this Agreement, China commits to phase out these uses in a manner consistent with the phase out schedule included in this Agreement at no additional cost to the Multilateral Fund.

4. The Executive Committee agrees, in principle, to provide the funding set out in row 8 of Table 2 to China to implement the Process Agent Sector Plan as submitted to the Executive Committee at its 37th meeting in July 2002 provided that China meets its obligations set out in this Agreement. The Executive Committee will strive to approve the disbursement of the annual tranches of the funding at the occasion of its first meeting of the year. In addition, the Executive Committee will pay the agency fee contemplated in row 9 of Table 2.

5. The World Bank will provide independent verification of the production or consumption limits set in rows 1, 4 and 6 of Table 2 as described in paragraph 10 of this Agreement.

6. The Executive Committee will provide the funding at the first meeting of the year, with the exception of the first amount that will be made available at this meeting, to which the funding apply, provided that the conditions of the previous years annual programme are fulfilled i.e.:

- a. That China has reduced to the allowable levels of production and consumption included in rows 1, 4 and 6 of Table 2 for each of the substances for each applicable year;
- b. That the meeting of these targets has been independently verified as described in paragraph 10;
- c. That the actions set out in the Annual Programme has been initiated accordingly; and
- d. That China has submitted an Annual Programme for the following year.

7. China agrees to ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in the project will implement the activities in accordance with the roles and responsibilities set out in the Process Agent Sector Plan.

8. The Executive Committee agrees that China would have the flexibility, to use the Multilateral Fund funding to achieve the overall objectives of this Sector Plan as well as other

activities to meet its obligations to the Montreal Protocol. China also agrees that the use of funds would be consistent with the Annual Programme as submitted to the Executive Committee.

9. The Government of China has selected the World Bank as the implementing agency to carry out the activities as specified in the Sector Plan and as set forth in Appendix III. China also agrees that the project will be implemented consistent with its agreement with the World Bank.

10. Under this Agreement the World Bank will be responsible for carrying out the activities listed in Appendix I including but not limited to independent verification.

11. Should China, for any reason, not meet any or all performance targets set in rows 1, 4 and 6 in Table 2 or otherwise not fulfill the targets set in this Agreement, the following tranche of funding could be held back - fully or partially - as decided by Executive Committee.

12. China also agrees that the Executive Committee, may reduce the amount of the funding for the following year by US \$26,000 per tonnes for process agents and US \$5,000 per tonne for CTC production in case the country is in default of meeting the annual targets set out in rows 1, or 4, or 6 in Table 2.

13. The audit of CTC, as contracted for by the Secretariat, shall continue. If, on the basis of those final audits, it is found that CTC production or consumption is over 10% lower than the figures included in row 1 for year 2001 of Table 2, the amounts of funding included in row 8 will be reduced by a sum equivalent to the difference of tonnes between the Table 2 figure and the audited figure on the basis of \$1,000 per tonne.

14. The funding components and conditions relative to the funding of the reduction of production and consumption identified in Table 2 of this Agreement shall not be modified on the basis of any future Executive Committee decision that may affect the funding of any other future projects that would be approved for China by the Executive Committee.

15. The Government of China will cooperate with the Executive Committee and the World Bank to facilitate implementation of this Agreement. In particular, it will provide access to the World Bank to all information necessary to verify compliance with this Agreement.

16. This Agreement is executed and implemented within the context of the Montreal Protocol and do not extend obligations beyond this Protocol. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

Appendix I. Role of the Implementing Agency

The Implementing agency will be responsible for a range of activities to be specified in the project document along the lines of the following:

- a. Assisting China in preparation of the Annual Programme;
- b. Verifying for the Executive Committee that consumption of the substances have been eliminated in accordance with the targets;
- c. Providing a verification report to the Executive Committee bringing evidence that the targets have been met and associated annual activities have been completed as indicated in the Annual Programme;
- d. Ensuring that achievements in previous Annual Programme are reflected in future Annual Programmes and will serve as the progress report;
- e. Reporting on the implementation of the 2003 activities will be included in the 2004 Annual Programme. After 2004, the annual programmes will include implementation status of all previous years' annual programmes.
- f. Carrying out supervision missions;
- g. Helping China to set up an operating mechanism to allow effective and transparent implementation of the Annual Programme. Accurate data reporting;
- h. Coordinating the activities of the coordinating implementing agencies, if any;
- i. Ensuring that disbursements made to China are based on the use of the indicators; and
- j. Providing China with the necessary policy, management and technical support.

Appendix II. Process Agents applications covered by this Agreement

No.	Applications	1999 Baseline	ODS
1	Chlorinated rubber	2,424	CTC
2	Chlorinated parafines	2,891	CTC
3	Chlorosulphonated polyolfin (CSM)	1,065	CTC
4	Ketotifen	19	CTC
5	Fluoropolymer resins (PTFE)	39	CTC

Appendix III. Process Agent Sector Plan

CTC production, consumption data and performance indicators

The following contains the Montreal Protocol Control targets for China and the agreed performance indicators for this Sector Plan. The table include the following information:

Baseline for CTC consumption: The CTC consumption data has been reviewed based on the survey carried out for the preparation of the China PA sector plan. The plan was submitted to the 37th meeting and the update was provided to the Executive Committee for consideration at the 38th meeting. **Based on the survey, a revised (lower) baseline has been established and China will report accordingly to the Ozone Secretariat and request the changes in its baseline data.**

CTC Production for CFC production: The allowable CTC production is based on the need for feedstock for CFC production in accordance with the CFC phase out schedule agreed for the Chinese CFC production sector plan. In addition, China is allowed to produce CTC for its solvent, process agent and other not yet identified uses. **Under this agreement, China will control its CTC production within the limits given in this Agreement and as given in row 2 in Table 2.**

CTC consumption for the process applications listed by the Parties to the Montreal Protocol: The Process Agent Sector Plan provides information on the use of CTC in China for the process agent applications listed by the Parties to the Montreal Protocol. The applications relevant to China are listed in Appendix to this Agreement. **Under this Agreement, China will phase out the CTC consumption in the applications listed in Appendix II under this Agreement and as given in row 4 in Table 2.**

CTC consumption for process applications under review by the Parties to the Montreal Protocol: A number of process applications - outside the list of the 25 applications listed by the Parties - has been identified in China. China has requested the Parties to review and add those PA applications to the list of process agents. Based on the data available through the PA survey carried out, Table 2 assumes that the CTC consumption will grow at a rate of 6% for those PA applications. Under this Agreement, China would continue to use CTC for those applications (listed in Appendix IV) until the Parties decide on how to deal with those applications.

Appendix IV. Applications to be considered by the Parties and could be considered in Phase II

No	Application	Product	1999 Baseline	ODS
N1	Chlorinated Polypropylene (CPP)	Painting ink, adhesive, coating material		CTC
N2	Chlorinated Ethylene-Vinyl Acetate (CEVA)	Painting ink, adhesive, coating material		CTC
Total CTC consumption			1,650	CTC

No	Application	Product	1999 Baseline	ODS
N3	3-Phenoxy-Benzyldehyde	Pesticides/Agrochemical		CTC
N4	Imidacloprid and its intermediate (2-chloro-5-chloro-methylaniline)	Pesticides/Agrochemical		CTC
N5	Buprofenzin and its intermediate (Chloridized N-methyl aniline)	Pesticides/Agrochemical		CTC
N6	Mefenacet and its intermediate (1,3-dichloro-benzothiozole)	Pesticides/Agrochemical		CTC
N7	Oxadiazon	Pesticides/Agrochemical		CTC
N8	Methyl Isocyanate derivative series pesticides	Pesticides/Agrochemical		CTC
Total CTC consumption			3,574	CTC

Annex XIV

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 the 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 the 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 the 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.

APPENDIX A: SAMPLE CONFIDENTIALITY PROVISIONS

“Technical Information of a Confidential Nature” means technical information related to a project proposal that has commercial value in respect of which the holder of that information has taken and continues to take reasonable steps to maintain confidential and that is not publicly available through general knowledge or publication.

“Designated Confidential Information” means Technical Information of a Confidential Nature that is clearly identified in writing to the Contractor as being confidential.

1. The Contractor will neither use nor disclose, nor permit the use or disclosure of, Designated Confidential Information except in accordance with this Agreement.
2. The Contractor will use reasonable commercial measures to maintain the confidentiality of the Designated Confidential Information including, but not limited to, segregating the Designated Confidential Information to the degree practicable from other documents and by requiring its employees to enter in confidentiality agreements similar to this Agreement in respect of the Designated Confidential Information.
3. Notwithstanding paragraph 1, nothing in this Agreement prevents the Contractor from using or disclosing general knowledge in its field, knowledge of a general nature contained in the Designated Confidential Information, or information that the Contractor has already developed or that it later develops without recourse to the Designated Confidential Information.
4. The Contractor may disclose any Designated Confidential Information if required to do so by law or by a court, arbitral body or administrative body that requires disclosure of the Designated Confidential Information. The Contractor will make reasonable efforts to inform the Secretariat of any such requirement as soon as is practicable in order to permit the Secretariat or the originator of the Designated Confidential Information to seek a court order preventing such disclosure.
5. Upon termination of the work contemplated by this Agreement, the Contractor will either return all copies of all documents containing the Designated Confidential Information within its control to the Secretariat and will permanently erase all electronic copies of documents containing the Designated Confidential Information.

Annex XV

AGREEMENT FOR THE ARGENTINA PRODUCTION SECTOR

1. The Executive Committee decides to approve in principle a total of \$8.3 million in funding for the phased reduction and closure of the entire CFC production capacity in Argentina. This is broken down with \$7 million to production closure, \$800,000 for labour compensation and \$500,000 for the project management unit.

2. This is the total funding that would be available to Argentina from the Multilateral Fund for the total permanent closure and dismantling of all capacity for the production of Group I Annex A and Group I Annex B CFCs, and/or the development of capacity to produce alternatives to these CFCs.

3. The agreed level of funding would be paid out in instalments in the exact amounts specified in Table 1, and on the basis of the following understanding:

- (a) By this approval, Argentina agrees that in exchange for the funding level specified in Table 1, it will reduce its total Group I Annex A and Group I Annex B substances production in accordance with the allowable production in the same table:

Table 1

Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Max, allowable production (metric tonnes)	3,020	3,020	3,020	1,647	1,647	686	686	686	0*	
MLF funding \$ million	0.5	3.5	0	0.3	2	0	1	1		8.3
Agency fees \$ million	0.02	0.11	0.09	0.12	0.10	0.12	0.12	0.047		0.727

(*) save for any CFC production that may be agreed by the Parties to meet essential uses for Argentina

The Executive Committee has also agreed in principle that it will continue to provide funds on the basis of annual programmes submitted in accordance with the schedule indicated above. The funds are to be approved at the first meeting each year. The World Bank will disburse the funds following its rules for procurement;

- (b) Argentina agrees to ensure accurate monitoring of the phase out, and to report regularly, consistent with their obligations under the Montreal Protocol and this Agreement. Argentina also agrees to allow for independent technical audits administered by the implementing agency, and in addition, as may be directed by the Executive Committee to verify annual CFC production levels agreed in Table 1 and plant dismantling or destruction;

- (c) The Executive Committee wishes to provide Argentina with maximum flexibility in using the agreed funds to meet the reduction requirements agreed in paragraph (a). Accordingly, while Argentina's country programme, sector strategy or other ancillary production related documentation discussed during the preparation of this Agreement may have included estimates of specific funds that were thought to be needed for specific items, the Executive Committee is of the understanding that during implementation, as long as it is consistent with this Agreement and the mode of implementation included in the Argentina project proposal, the funds provided to Argentina pursuant to this Agreement may be used in any manner that Argentina believes will achieve the smoothest possible CFC production phase out.

- (d) Argentina agrees that the funds being agreed in principle by the Executive Committee at its 38th Meeting for complete closure of its CFC production capacity is the total funding that will be available to it to enable its full compliance with the CFC production phase out requirements of the Montreal Protocol, and that no additional Multilateral Fund resources will be forthcoming for related activities including the development of infrastructure for the production of alternatives, the import of alternatives, or the eventual closure of any HCFC facilities that use existing CFC infrastructure. It is also understood that aside from the agency fee referred to in paragraph (f) below and reflected in Table 1, Argentina, the Multilateral Fund and its Implementing Agencies and bilateral donors will neither provide nor request further Multilateral Fund related funding for the accomplishment of the total phase out of CFC production in accordance with the schedule noted above and the terms of the strategy being approved. This includes but is not limited to funding for employee compensation and all technical assistance including training.

- (e) Argentina understands that if the Executive Committee meets its obligations under this Agreement, but Argentina does not meet the reduction requirements outlined in paragraph (a), and the other requirements outlined in this document, the implementing agency and Multilateral Fund will withhold funding for the subsequent tranche of funding outlined in Table 1 until the required reduction has been met or the required dismantling has been completed. In addition, Argentina understands that the Multilateral Fund will reduce the subsequent tranche and therefore, total funding for the CFC production closure on the basis of \$1,000 per ODP tonnes of reductions not achieved in any year of this Agreement. It is clearly understood that the fulfillment of this Agreement depends on satisfactory performance of obligations by both Argentina and the Executive Committee.

- (f) The World Bank has agreed to be the implementing agency for this project. The fee for the project will be at 9 per cent for project investment and labour costs * distributed during that time period, while 5 per cent fee will be applied to the project management unit. As the implementing agency during that time period, the World Bank agrees to be responsible for:
- (i) Ensuring/providing independent verification to the Executive Committee that the phase out targets and associated activities have been met;
 - (ii) Ensuring that technical reviews undertaken by World Bank are undertaken by the appropriate independent technical experts such as the OORG;
 - (iii) Assisting Argentina in the development of its annual work programme which incorporates achievements in previous annual programmes;
 - (iv) Carrying out supervision missions as required;
 - (v) Ensuring the presence of an effective operating mechanism to enable effective, transparent implementation of the programme and accurate, verified reporting of data;
 - (vi) Incorporating its work into the existing agreement between Argentina and the World Bank;
 - (vii) Ensuring that disbursements are made to Argentina based on agreed performance targets in the project, and the provisions of this Agreement;
 - (viii) Independently verifying for the Executive Committee that dismantling of CFC production lines is done appropriately by ensuring that the reactor, distillation towers, receiver tanks for finished products, and control and monitoring equipment are dismantled and rendered unusable for future ODS production, and are disposed of.
- (g) The funding components of this decision shall not be modified on the basis of future Executive Committee decisions that may affect the funding of the CFC production sector or any related activity.

*(3 per cent of this amount will be provided to the local financial agent)
