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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-second Meeting
Montreal, 29 March - 2 April 2004

BILATERAL COOPERATION

The Fund Secretariat received the following requests for bilateral co-operation:

PROJECT TITLE	BILATERAL AGENCY
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide in Mexico	Canada
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan in India (French component)	France
Institutional strengthening project (request for remaining balance) in Angola	Germany
Development of a suitable strategy for the long term management of HCFC-22 as well as other HCFCs in China	Germany
Sector phase out programme: Establishing a halon bank in Croatia	Germany
Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) in India (German component)	Germany
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan in India (German component)	Germany
National CFC phase out plan: First annual implementation plan for 2004 (second tranche) in Iran	Germany
Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (second tranche) in Kenya	Germany
Refrigerant management plan update: refrigeration and air conditioning sector in Zambia	Germany
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan in India (Japanese component)	Japan
National compliance action plan in Sri Lanka	Japan
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide in Mexico	Spain
Terminal phase-out management plan: 2004 annual implementation programme in Croatia	Sweden
Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) in India (Swiss component)	Switzerland

For reasons of economy, this document is printed in a limited number. Delegates are kindly requested to bring their copies to the meeting and not to request additional copies.

Note on the Organization of the Document

1. This document provides an assessment of whether or not bilateral agencies' requests are eligible in the light of the maximum level of bilateral cooperation for the year 2004 taking into account Decision 25/13 that allows the assignment of the year of contribution.
2. The document also indicates the cross-references to other meeting documents where there is a discussion of the bilateral request. Only 2 requests are addressed in this document both from the Government of Germany including the release of the balance of funding for institutional strengthening for Angola that is recommended for blanket approval and a request for the preparation of a document on HCFCs that is addressed in the Overview of Issues Identified during Project Review (UNEP/OzL.Pro/ExCom/42/16).
3. All bilateral requests are within the 20 per cent allocation of contributions for all bilateral agencies except Germany.

Introduction

4. A total of 15 requests amounting to US \$18,899,852 (including multi-year agreements) for bilateral co-operation were received by the Secretariat of which US \$11,381,099 is submitted for approval at the 42nd Meeting by Canadian, French, German, Japanese, Spanish, Swedish and Swiss bilateral agencies. This document contains, by bilateral agency, those projects that are before the Executive Committee for its consideration.
5. Table 1 presents a summary of the value and number of requests by bilateral agency.

Table 1

VALUE AND NUMBER OF PROJECTS FOR BILATERAL COOPERATION, BY BILATERAL AGENCY (Including Agency Fees)

Bilateral Agency	Total Amount Requested	Amount Requested at 42nd Meeting (US \$)	Number of Projects
Canada	253,199	214,700	1
France	1,085,000	1,085,000	1
Germany	8,384,739	3,276,527	8
Japan	5,661,000	5,661,000	2
Spain	800,000	795,841	1
Sweden	26,553	26,553	1
Switzerland	2,689,361	321,478	1
TOTAL	18,899,852	11,381,099	15

REQUEST FROM THE GOVERNMENT OF CANADA

Introduction

6. Table 2 presents a summary of Canada’s request for bilateral co-operation. The value of the request does not exceed 20 percent of Canada’s contribution for 2004 (US \$990,967)

Table 2

SUBMISSION FROM THE GOVERNMENT OF CANADA AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42nd Meeting (US\$)	Amount Recommended (US\$)
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	Mexico	224,070	190,000	(1)
	Agency Fee	29,129	24,700	
	TOTAL	253,199	214,700	

(1) Under UNEP/OzL.Pro/ExCom/42/39

MEXICO: Technical assistance to comply with 2005 phase-out of 20% of methyl bromide (US \$190,000)

7. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/39.

REQUEST FROM THE GOVERNMENT OF FRANCE

Introduction

8. Table 3 presents a summary of France's request for bilateral co-operation. As per Decision 41/27 para. b, US \$1,117,348 was credited against France's bilateral contributions for 2004. This request, plus the funds approved in 2003 against France's 2004 contributions, does not exceed 20 percent of France's contribution for 2004 (US \$2,503,738).

Table 3

SUBMISSION FROM THE GOVERNMENT OF FRANCE AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42nd Meeting (US\$)	Amount Recommended (US\$)
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (French component)	India	1,000,000	1,000,000	(1)
Agency Fee		85,000	85,000	
TOTAL		1,085,000	1,085,000	

(1) Under UNEP/OzL.Pro/ExCom/42/33

INDIA: CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (French component) (US \$1,000,000)

9. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/33.

REQUEST FROM THE GOVERNMENT OF GERMANY

Introduction

10. Table 4 presents a summary of Germany's requests for bilateral co-operation. As per Decision 41/27 para. c, a net of US \$1,901,368 was credited against Germany's bilateral contributions for 2004 after taking into account Decisions 40/9 and 40/24. The requests from Germany submitted to the 42nd Meeting (US \$3,276,527), plus the funds approved in 2003 against its 2004 contributions, exceeds 20 percent of Germany's contribution for 2004 (US \$3,782,888).

11. Based on the precedent set at the 41st Meeting of assigning contributions approved in 2003 to 2004, depending upon the level of funds approved at the 42nd Meeting, some funds may need to be assigned to 2005. However, it should be noted that Germany's 2004-2006 business plan contains projects and activities that also exceed Germany's 20 per cent allocation for the period 2003-2005. Therefore, the Executive Committee should take into consideration these requests in the light of its discussion on Germany's business plan contained in the "2004-2006 Business Plans of Bilateral Agencies" (UNEP/OzL.Pro/ExCom/42/7).

Table 4

SUBMISSION FROM THE GOVERNMENT OF GERMANY AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42 nd Meeting (US\$)	Amount Recommended (US\$)
Institutional strengthening project (request for remaining balance)	Angola	141,618	141,618	141,618
Development of a suitable strategy for the long term management of HCFC-22 as well as other HCFCs	China	510,400	339,000	Pending
Sector phase out programme: Establishing a halon bank	Croatia	100,000	100,000	(1)
Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) (German component)	India	4,845,697	418,005	(2)
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (German component)	India	700,000	700,000	(2)
National CFC phase out plan: First annual implementation plan for 2004 (second tranche)	Iran	946,405	946,405	(3)
Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (second tranche)	Kenya	172,347	172,347	(4)
Refrigerant management plan update: refrigeration and air conditioning sector	Zambia	136,000	136,000	(5)
Agency Fee		832,272	323,152	18,411
TOTAL		8,384,739	3,276,527	160,029

(1) Under UNEP/OzL.Pro/ExCom/42/31

(2) Under UNEP/OzL.Pro/ExCom/42/33

(3) Under UNEP/OzL.Pro/ExCom/42/35

(4) Under UNEP/OzL.Pro/ExCom/42/36

(5) Under UNEP/OzL.Pro/ExCom/42/45

**ANGOLA: Institutional strengthening project (request for remaining balance)
(US \$141,618)**

Project description and comments

12. Germany submitted Angola's country programme and first request for institutional strengthening to the 38th Meeting in November 2002. The Committee approved the country programme and institutional strengthening in Decision 38/71; however, due to the fact that Germany had exceeded its 20 per cent allocation for the 2000-2002 triennium, only one year of funding was approved of the three years of funding eligible for first-time institutional strengthening requests at a level of US \$71,682.

13. This request is for the remaining balance.

Fund Secretariat's recommendation

14. This project is recommended for blanket approval.

**CHINA: Development of a suitable strategy for the long term management of
HCFC-22 as well as other HCFCs (US \$339,000)**

Project description

15. Germany indicated that TEAP provided a forecast that shows the potential tripling of HCFC-22 consumption in China by 2015. Latest production data from China also indicate a significant increase in HCFC-22 production over the last few years. Germany indicated that HCFC-22 consumption arises from the phase-out of CFC-12 in commercial equipment that was funded by the Multilateral Fund and from capacities installed after 1995. Neither of which is eligible for conversions with resources from the Multilateral Fund. Nevertheless, China will have to ensure the phase-out of HCFC-22 consumption (including servicing needs) at the latest by the year 2040. This project aims at developing the necessary data and policy options that would be needed for China to manage its phase-out of HCFC-22. The project will document different options and their benefits and risks and will result in a case study. The documentation would be made available to all other Article 5 countries.

Secretariat's comments

16. The Secretariat provided comments on this request in the context of Germany's business plan (UNEP/OzL.Pro/ExCom/42/7) as well as the Overview of Issues Identified during Project Review (UNEP/OzL.Pro/ExCom/42/16).

17. After negotiation on certain cost items, the Secretariat and Germany agreed to the cost of US \$339,000.

18. The project is not included in the 3-year phase-out plan (UNEP/OzL.Pro/ExCom/42/5) since HCFCs were not addressed. It should be noted that HCFC was not one of the substances used as a basis for TEAP's assessment of the costs for the 2003-2005 triennium. Whilst it is not in the 3-year phase-out plan, it neither qualifies under any of the criteria for accelerated phase-out/maintaining momentum pursuant to Decision 40/7.

19. In the light of these comments, the Secretariat requested Germany to withdraw the request and address these policy issues first. Germany subsequently decided to submit the request for funding at the 42nd Meeting.

Recommendations

20. This project is recommended for individual consideration.

CROATIA: Sector phase out programme: Establishing a halon bank (US \$100,000)

21. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/31.

INDIA: Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) (German component) (US \$418,005)

CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (German component) (US \$700,000)

22. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/33.

IRAN: National CFC phase out plan: First annual implementation plan for 2004 (second tranche) (US \$946,405)

23. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/35.

KENYA: Technology transfer leading to methyl bromide phase-out in soil fumigation in all other horticulture (second tranche) (US \$172,347)

24. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/36.

ZAMBIA: Refrigerant management plan update: refrigeration and air conditioning sector (US \$136,000)

25. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/45.

REQUEST FROM THE GOVERNMENT OF JAPAN

Introduction

26. Table 5 presents a summary of Japan's requests for bilateral co-operation. The value of the requests does not exceed 20 percent of Japan's contribution for 2004 (US \$6,952,000).

Table 5

SUBMISSION FROM THE GOVERNMENT OF JAPAN AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42 nd Meeting (US\$)	Amount Recommended (US\$)
CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (Japanese component)	India	2,500,000	2,500,000	(1)
National compliance action plan	Sri Lanka	2,881,000	2,881,000	(2)
Agency Fee		280,000	280,000	
TOTAL		5,661,000	5,661,000	

(1) Under UNEP/OzL.Pro/ExCom/42/33

(2) Under UNEP/OzL.Pro/ExCom/42/42

INDIA: CTC phase-out plan for the consumption and production sectors: 2004 annual implementation plan (Japanese component) (US \$2,500,000)

27. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/33

SRI LANKA: National compliance action plan) (US \$2,881,000)

28. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/42.

REQUEST FROM THE GOVERNMENT OF SPAIN

Introduction

29. Table 6 presents a summary of Spain's request for bilateral co-operation. This request does not exceed 20 percent of Spain's contribution for 2004 (US \$975,597).

Table 6

SUBMISSION FROM THE GOVERNMENT OF SPAIN AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42 nd Meeting (US\$)	Amount Recommended (US\$)
Technical assistance to comply with 2005 phase-out of 20% of methyl bromide	Mexico	707,965	707,965	(1)
Agency Fee		92,035	87,876	
TOTAL		800,000	795,841	

(1) Under UNEP/OzL.Pro/ExCom/42/39

MEXICO: Technical assistance to comply with 2005 phase-out of 20% of methyl bromide (US \$707,965)

30. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/39.

REQUEST FROM THE GOVERNMENT OF SWEDEN

Introduction

31. Table 7 presents a summary of Sweden's requests for bilateral co-operation. This request does not exceed 20 percent of Sweden's contribution for 2004 (US \$397,693).

Table 7

SUBMISSION FROM THE GOVERNMENT OF SWEDEN AND RECOMMENDATION

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42 nd Meeting (US\$)	Amount Recommended (US\$)
Terminal phase-out management plan: 2004 annual implementation programme	Croatia	24,700	24,700	(1)
Agency Fee		1,853	1,853	
TOTAL		26,553	26,553	

(1) Under UNEP/OzL.Pro/ExCom/42/31

CROATIA: Terminal phase-out management plan: 2004 annual implementation programme (US \$24,700)

32. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/31.

REQUEST FROM THE GOVERNMENT OF SWITZERLAND

Introduction

33. Table 8 presents a summary of Switzerland's requests for bilateral co-operation. This request does not exceed 20 percent of Switzerland's contribution for 2004 (US \$489,528).

Table 8

**SUBMISSION FROM THE GOVERNMENT OF SWITZERLAND AND
RECOMMENDATION**

Project Title	Country	Total Amount Requested (US\$)	Amount Requested at 42nd Meeting (US\$)	Amount Recommended (US\$)
Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) (Swiss component)	India	2,422,848	289,620	(1)
Agency Fee		266,513	31,858	
TOTAL		2,689,361	321,478	

(1) Under UNEP/OzL.Pro/ExCom/42/33

INDIA: Sector plan for the phase-out of CFC-12 consumption in the Indian refrigeration and air conditioning service sector (first tranche) (Swiss component) (US \$289,620)

34. The comments and recommendations of the Fund Secretariat are found in UNEP/OzL.Pro/ExCom/42/33.