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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-fourth Meeting
Prague, 29 November-3 December 2004

PROVISIONAL ANNOTATED AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organizational matters:

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/44/1/Rev.1: contains the Provisional Agenda for the 44th Meeting of the Executive Committee.

Action expected from the Executive Committee: the Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/44/1/Rev.1.

(b) Organization of work

The Chairperson will propose to the plenary the organization of work.

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/44/2: presents a report on the activities of the Secretariat since the 43rd Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 43rd Meeting, and the preparations for the 44th Meeting. It also includes information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this period of time.

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.

Issues to be addressed: none.

Action expected from the Executive Committee: the Executive Committee may wish to take note of the report.

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/44/3: provides information on the status of the Fund on 11 October 2004 as recorded by the Treasurer. As of that date, the Fund's balance stands at US \$76,488,247, after taking into account all the funds approved by the Executive Committee, up to and including those approved at the 43rd Meeting. The Fund's balance will be updated by the Treasurer to reflect new contributions made by the Parties at the time of the meeting. It will also provide updated information on the gain and loss in the fixed exchange rate mechanism.

Action expected from the Executive Committee: the Executive Committee may wish to take note with appreciation, of the Treasurer's report.

5. Status of resources and planning:

(a) Balances report and availability of resources

Document UNEP/OzL.Pro/ExCom/44/4: contains the submission of the implementing agencies on completed projects with balances, the return of funds from cancelled projects, and other project adjustments.

Issues to be addressed:

- Agencies returning US \$443,103 plus US \$47,023 in agency fees;
- Balances returned from bilateral cooperation projects; and
- Total resources available for the 44th Meeting.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Note the report on project balances contained in UNEP/OzL.Pro/ExCom/44/4.
2. Note the net level of funds being returned to the 44th Meeting against project balances totalling US \$443,103 that includes an US \$79,548 reimbursement to UNDP to account for the funds previously returned in error for 18 projects and the return of US \$286,351 from UNEP; US \$180,729 from UNIDO; and US \$55,571 from the World Bank.
3. Note the net level of support costs being returned to the 44th Meeting against project support cost balances totalling US \$47,023 that includes an US \$10,378 reimbursement to UNDP to account for the support costs for the funds previously returned in error for 18 projects and the return of US \$28,383 from UNEP; US \$21,848 from UNIDO; and US \$7,170 from the World Bank.

4. Note, with appreciation, that implementing agencies had balances totalling US \$53,019, excluding support costs, from projects completed over two years ago: UNDP--US \$47,701 plus support costs; and UNEP--US \$5,318 plus support costs and that this amount of balances from such projects is the lowest amount achieved since such balances began to be monitored by the Executive Committee at its 28th Meeting.
5. Note the return of funds from UNDP of US \$116,264, including support costs and income earnings on interests, on behalf of Belgium for the cancelled Quimica Andina foam project in Bolivia (BOL/FOA/28/INV/10), and the fact that the Treasurer would adjust Belgium's bilateral contributions and cash contributions accordingly, with the interest to be credited as interest collected on Fund balances instead of additional contributions from Belgium.
6. Note that US \$15,344 should be offset against approvals for the Government of Germany for the return of the following amounts, as indicated by project: US \$6,900 for the Technical assistance project on promoting compliance with the Montreal Protocol in Croatia and Romania (EUR/SEV/28/TAS/01); US \$8,197 for the Training project in the refrigeration sector in Lebanon (LEB/REF/26/TRA/25); US \$3 for the Technical assistance project on remaining issues for a RMP in Lebanon (LEB/REF/28/TAS/31); and US \$244 for the Recuperation and recycling project in the refrigeration servicing sector in Namibia (NAM/REF/24/TAS/05).
7. Note that US \$76,984,369 (to be updated at the meeting) was available to the Executive Committee for approvals at the 44th Meeting.

(b) 2004 business plan (follow-up to Decision 42/3 (d) and (e))

Document UNEP/OzL.Pro/ExCom/44/5: reviews the status of the implementation of the 2004 business plans in the light of the submissions to the 44th Meeting and previous approvals at the 42nd and 43rd Meetings. The document also highlights those priority projects that are remaining in the 2004 business plans that were considered to be needed to assist countries in returning to compliance and/or achieving compliance in response to Decision 43/3. The document then addresses the possible need for a window to accelerate phase-out and maintain momentum as requested in Decision 42/3 and concludes with an assessment of the forward commitments approved to-date and the additional commitment submitted to the 44th Meeting for approval.

Issues to be addressed:

- Countries at risk of non-compliance in the 2004 business plan; and
- Funding window for accelerating phase-out and maintaining momentum.

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Noting the Report on the status of the 2004 business plans as contained in UNEP/OzL.Pro/ExCom/44/5 and the submission of priority projects as requested in Decision 43/3 (c)(iii).
2. The need for a funding window for accelerating phase-out and maintaining momentum in the context of the 2005 business plans submitted to the 45th Meeting.

(c) Status/prospects of Article 5 countries in achieving compliance with the control measures of the Montreal Protocol (follow-up to Decision 43/4)

Document UNEP/OzL.Pro/ExCom/44/6: contains three parts. Part I is prepared in response to Decision 32/76(b) and presents analysis of status of compliance for CFCs, halons, methyl bromide, carbon tetrachloride (CTC) and methyl chloroform (TCA). Part II contains an update of the status of implementation of ongoing projects for all Article 5 countries that have been found to be in non-compliance by the Meeting of the Parties by country or appear to be in non-compliance or that are at risk of future non-compliance for CTC. It also addresses Decisions 43/3(c)(i) and 43/4(d) on impediments to achieving compliance by countries in non-compliance and/or at risk of non-compliance. Part III contains an analysis of the ODS consumption data by sector and by Article 5 country, and on the implementation of country programmes.

Issues to be addressed:

- Status of compliance, status of implementation in countries that appear to be in non-compliance or at risk of future non-compliance for CTC and data on the implementation of country programmes.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Note the report on the Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol as contained in UNEP/OzL.Pro/ExCom/44/6.
2. Request bilateral and implementing agencies to include phase-out activities, where appropriate, for eligible consumption in their 2005-2007 business plans for the following countries:
 - (a) For CFCs: Saint Vincent and the Grenadines (RMP update)
 - (b) For Halon: Libya and Somalia (when the conditions appear conducive to a sustainable operation).
 - (c) For methyl bromide: Papua New Guinea

- (d) For Methyl Chloroform: Costa Rica and Ecuador
- (e) For CTC: Bahrain, Barbados, Ghana, Indonesia, Iran, and Paraguay
- (d) Model rolling three-year phase-out plan: 2005-2007 (Decisions 38/66 (f) and 42/4 (d))**

Document UNEP/OzL.Pro/ExCom/44/7: contains the model rolling three year phase-out plan for the Multilateral Fund for the years 2005-2007. The paper includes an analysis of the amounts of ODS that needs to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 Montreal Protocol phase out targets plus partial phase-out of the remaining ODS consumption to achieve the 2010 phase-out targets. The paper indicates the ODSs to be phased out in Article 5 countries during the triennium in approved multi-year sectoral and national phase-out plans and individual and umbrella projects, and the number of RMPs and TPMPs under current implementation in low-volume consuming countries.

Issues to be addressed:

- Whether the paper provides a satisfactory basis for planning the phase-out to be achieved through Multilateral Fund projects and activities, and for business planning for the corresponding triennium.
- The relatively large number of countries that might need assistance to achieve the 2005 CTC and TCA Montreal Protocol limits.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider adopting the 2005-2007 model three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium;
2. Urge Article 5 countries with approved but not implemented projects and the cooperating implementing and bilateral agencies to accelerate the pace of implementation during the 2005-2007 triennium;
3. Urge bilateral and implementing agencies to work with those countries that have been identified as needing immediate assistance to achieve the 2005 CTC and TCA phase out targets and include activities in their 2005-2007 business plans as appropriate; and
4. Request the Secretariat to present an updated Model three-year rolling phase-out plan for the years 2006-2008 to the last meeting in 2005 to provide guidance as relevant for the preparation of the 2006-2008 business plan of the Multilateral Fund.

- (e) Qualitative performance indicators (Decision 42/5 (b) and (c))**

Document UNEP/OzL.Pro/ExCom/44/8: contains proposals on qualitative performance indicators submitted by members of the Executive Committee and comments from implementing agencies on these proposals in response to Decision 42/5 (b) and (c).

Issues to be addressed:

- Proposed qualitative indicators.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Take note of document UNEP/OzL.Pro/ExCom/44/8.
2. Consider the proposals for qualitative indicators included in the document UNEP/OzL.Pro/ExCom/44/8 and any other proposals that may be tabled at the 44th Meeting of the Executive Committee together with the possibility of requesting the Secretariat to retain a consultant to review the performance indicators considered by the Executive Committee and make a proposal for qualitative indicators, as appropriate.

(f) Review of the administrative cost regime and its core unit funding budget (follow-up to Decision 41/94 (d))

Document UNEP/OzL.Pro/ExCom/44/9: contains the annual review of the current administrative cost regime response to Decision 41/94(d).

Issues to be addressed:

- Administrative cost budget for 2004 and proposed budget for 2005.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Note the document on administrative costs as presented in UNEP/OzL.Pro/ExCom/44/9.
2. Approve US \$1.5 million for core unit funding for 2005 each for UNDP, UNIDO and the World Bank.
3. Request a review of the current administrative cost regime and recommendations for its continuance or an alternative administrative cost regime for the 2006-2008 triennium.

6. Programme implementation:

(a) Final evaluation report on halon banking projects for countries with low volumes of installed capacities

Document UNEP/OzL.Pro/ExCom/44/10: presents the final evaluation report on halon banking projects for countries with low volumes of installed capacities

Issues to be addressed:

- Compliance situation and phase-out achieved;
- Implementation status of the projects evaluated; and

- Recommendations

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Continue to consider the volume of funding for countries with low volumes of installed capacities with some degree of flexibility regarding the one-time funding of US\$ 25,000 foreseen in the Halon Banking Guidelines, in view of the particularly high ODP values of halons.
2. Decide that countries with low volumes of installed halon capacities should concentrate project activities on stakeholders workshops, training, development of import controls/bans and awareness-raising, and consider the creation of a regional clearing house providing information on sources for recycled halons and on alternatives.
3. Decide that recycling equipment should only be funded (i) if a significant volume of installed halon capacities in the country or region has been clearly established (ii) if alternative recycling facilities in the country or region are not available or secure in the medium and long-term, and (iii) if the technical competence and economical viability of the proposed host company or institution has been demonstrated.
4. Request Implementing Agencies concerned to assist the companies or institutions hosting R&R centres to develop a business plan which would include calculations of operational cost and projections of revenues, as well as cost and modalities for transporting halon and/or equipment to and from clients.
5. Request GTZ/PROKLIMA to develop for the regional halon projects in West Asia and Eastern and Southern Africa, in cooperation with the countries concerned, within the framework of the funding approved and taking into account R&R facilities in the countries and regions, an updated plan to realize full phase-out of virgin halon consumption while assuring the supply of recycled halons from either national or regional R&R centres, and to report upon its preparation and implementation in the Progress Report covering the year 2004.
6. Decide that countries participating in regional projects with R&R equipment should develop, during project preparation, a clear understanding and agreement about the use of the R&R equipment funded, including the processing fees and transport and storage cost, and the coverage of deficits, if they arise, as well as the lifting of any impediments to trade with recovered and recycled halons in the region, if such restrictions exist. In this context, the use of funds under the projects for temporary assistance to funding operating cost should be defined as well.
7. Request the Fund Secretariat to retain a consultant to conduct a feasibility study on halon destruction analyzing the quantities of contaminated halons installed and recovered, available destruction technologies and facilities as well as costs, taking into account also the installed capacities in countries without reported consumption, bearing in mind Decision XIV/6 of the 14th Meeting of the Parties.

8. Request UNEP to fully use the capacities of the recently recruited CAP officer for the halon sector, located in ROWA/Bahrain, for providing interested parties with information on alternatives to halon and on regulations and standards, via presentations to network meetings and national stakeholder workshops, individual advice by way of phone, e-mail and if necessary missions to selected Art. 5 countries, in particular in cases of non-compliance.

(b) 2004 consolidated project completion report

Document UNEP/OzL.Pro/ExCom/44/11: provides the Executive Committee with an overview of the results reported in the project completion reports (PCR) received during the reporting period, i.e. since the 41st Meeting in December 2003. This corresponds to decisions 23/8(i) and 26/11 of the Executive Committee requesting the Senior Monitoring and Evaluation Officer to present a consolidated PCR, after consultation with the implementing agencies at the third meeting of each year.

Issues to be addressed:

- Overview of PCRs received and due;
- Content and quality, in particular with regard to descriptive assessments;
- Lessons learnt;
- Schedule for submission of PCRs in 2005; and
- Consistency of data reported in PCRs, Inventory and annual progress reports.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Take note of the 2004 Consolidated Project Completion Report including the schedule for submission of Project Completion Reports (PCRs) due;
2. Request implementing and bilateral agencies concerned:
 - (a) To establish by the end of January 2005, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports;
 - (b) To provide, by the end of January 2005, the information still missing in a number of PCRs;
 - (c) Clear the backlog of PCRs for projects completed before the end of 2000 until the end of January 2005.
3. Urge UNDP and the World Bank to make all necessary efforts to deliver the PCRs still scheduled to be provided in 2004.

(c) Desk study on the evaluation of customs officers training and licensing system projects

Document UNEP/OzL.Pro/ExCom/44/12: presents a synthesis of the study conducted by the Senior Monitoring and Evaluation Officer and two consultants who analyzed the documentation available and summarized findings of field visits carried out to Romania and Senegal concerning customs officers training and licensing system projects. The objective of this desk study is to prepare the field visits, to involve implementing and bilateral agencies in the preparation of the evaluation and to obtain feedback from the Executive Committee on the suggested evaluation issues and approach.

Issues to be addressed:

- Overview of licensing systems and customs training projects;
- Results achieved;
- Implementation delays;
- Availability and quality of documentation; and
- Issues identified for the main evaluation and work plan proposed.

Action expected from the Executive Committee: the Executive Committee might wish to take note of the information provided in document UNEP/OzL.Pro/ExCom/44/12, including the proposed evaluation issues and approach for the final phase of the evaluation.

(d) Draft Monitoring and Evaluation work programme for the year 2005

Document UNEP/OzL.Pro/ExCom/44/13: contains the draft 2005 Monitoring and Evaluation Work Programme which summarizes the results achieved in implementing the 2004 Work Programme, followed by a proposal for the evaluation studies to be conducted in 2005, the general methodological approach and the budget required for implementing the evaluation studies in 2005.

Issues to be addressed:

- Results of the 2004 work programme;
- Evaluation studies proposed for the year 2005;
- Implementation modalities and methodological approach; and
- Budget for the 2005 work programme.

Action expected from the Executive Committee: The Executive Committee may wish to decide to approve the proposed 2005 work programme for monitoring and evaluation at a budget of US \$246,000, as indicated in document UNEP/OzL.Pro/ExCom/44/13.

(e) Project implementation delays

Document UNEP/OzL.Pro/ExCom/44/14: contains an assessment of progress on projects identified with implementation delays based on decisions taken at previous meetings of the

Executive Committee, addresses projects for which status reports were requested, presents additional requests for project cancellations and addresses the impact of delayed and cancelled projects on compliance.

Issues to be addressed:

- Reports to be presented at the Meeting by France (IRA/SEV/26/TAS/36), UNDP (NIR/FOA/34/INV/91), UNEP (GLO/SEV/32/TAS/224) and the World Bank (JOR/ARS/31/INV/64 and OMA/HAL/41/TAS/08).

Action expected from the Executive Committee: the Executive Committee may wish to consider:

1. Noting with appreciation the reports submitted to the Secretariat on projects with implementation delays by Canada, France, Germany, Japan and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/44/14).
2. Noting with appreciation the report submitted pursuant to Decision 43/12 on the Assistance for national information, education and communication campaign for compliance with the Montreal Protocol in Nigeria implemented by Japan (NIR/SEV/38/TAS/104).
3. Requesting the Governments of Japan to provide reports on the following projects classified with implementation delays:

Code	Project Title	Category of Delays
CPR/REF/28/INV/302	Phasing out ODS in the production of compressors at Changshu Refrigerating Equipment Works	12 and 18 months delays
CPR/REF/31/TAS/359	Develop a strategy for the refrigeration servicing sector	12 months delays

4. Noting 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 and implementing agencies as required.
5. Adopting the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Net Approved Funds (US\$)	Funds Disbursed (US\$)	Milestones
UNDP	IND/ARS/28/INV/221	Phase-out of CFC by substituting HAPs at Syncaps	161,518	115,215	Project Completion by March 2005
UNDP	IND/ARS/29/TAS/244	Technical assistance for safety and technical programme to assist SME's manufacturing aerosol products (Phase I)	155,000	130,127	Project Completion by March 2005

6. The reports presented at the meeting on the following projects to determine if they warrant cancellation or other action as appropriate:

- (a) Small and medium enterprises study (IRA/SEV/26/TAS/36) in Iran, implemented by France, for which US \$20,000 had been disbursed out of the US \$75,000 approved for the project with no ODS phase-out assigned.
- (b) Substitution of CFC-12 for HAPs at the aerosol plant of Arab Chemical Industries (JOR/ARS/31/INV/64) in Jordan, implemented by the World Bank, for which US \$37,871 had been disbursed out of the US \$49,539 approved for the project with no ODS phase-out assigned.
- (c) Halon consumption phase-out through a technical assistance programme and a halon recycling in Oman (OMA/HAL/41/TAS/08), implemented by the World Bank, for which none of the US \$64,600 approved for the project had been disbursed and with no phase-out assigned.
- (d) Phasing out of CFC-11 in the manufacture of rigid polyurethane foam by conversion to a combination of water and HCFC-141b based systems at Global Plastic Industries, Ltd. in Nigeria (NIR/FOA/34/INV/91), implemented by UNDP, for which US \$32,379 had been disbursed out of the US \$36,801 approved for the project with no phase-out assigned.
- (e) Regional awareness raising and South-South assistance (GLO/SEV/32/TAS/224), implemented by UNEP, for which US \$130,258 was disbursed out of the US \$191,000 approved for the project with no ODS phase-out assigned.

7. Noting the automatic cancellation of the following project:

- (a) Conversion from MCF used as solvent to aqua based cleaning at Argelite La Rioja, SA; CIMCAM, SA; Grimoldi, SA; Heliodino SAIC; Integral Metalurgica, SA; Orbis Mertig SAIC; Trosh, SA Unisol, SA and Buffalo, S.A. in Argentina (ARG/SOL/28/INV/91), implemented by the World Bank, for which US \$85,085 had been disbursed out of the US \$216,717 approved for the project as at 31 December 2003 and 2.3 ODP tonnes are to be assigned to the project, while noting that the cancellation was due to the failure to meet the agreed deadline and milestone set at the 43rd Meeting.
- (b) Phase out of CFCs in the manufacture of flexible foam (slab stock) at Sodiflex and Tiznit Plastic S.A. in Morocco (MOR/FOA/23/INV/12), implemented by UNDP, for which US \$505,820 had been disbursed out of the US \$517,300 approved for the project as at 31 December 2003, noting that the cancellation was due to the failure to meet the conditions of Decision 42/15(i)(v).

(f) Report on implementation of approved projects with specific reporting requirements

Document UNEP/OzL.Pro/ExCom/44/15: contains a progress report on the implementation of terminal CFC phase-out plans in Colombia, Jamaica and Trinidad and Tobago and a methyl bromide phase-out project in Turkey.

Issue to be addressed: None

Action expected from the Executive Committee: the Committee may wish to take note of the progress reports on the implementation of the terminal CFCs plans in Colombia, Jamaica and Trinidad and Tobago and the methyl bromide phase-out project in Turkey.

7. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/44/16: provides statistics on submissions received, presents issues arising from project review and contains the list of all projects and activities recommended for blanket approval (Annex I) and the list of project for individual consideration (Annex II).

Issues to be addressed:

- The omission of verification information from annual reports submitted on multi-year projects; and
- Approval of projects and activities in the blanket approval list.

Action expected from the Executive Committee: The Executive Committee may:

1. Consider requesting agencies to ensure that all verification procedures required under the relevant agreement have been completed and are included in the project document prior to its submission and to discuss emerging issues in advance with the Secretariat.
2. Wish to approve the projects recommended for blanket approval.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/44/17: contains nine projects and activities submitted for approval by Governments as bilateral cooperation. All nine projects and activities will be considered in Agenda Item 7 (e), investment projects.

Issue to be addressed:

- One country, Germany, currently has projects in its 2004 and 2005 business plans, the funding levels of which would in total exceed Germany's bilateral contribution limit for the triennium. Germany has indicated that it has sought other agencies to accommodate the

remaining activities but it had not identified other agencies at the time this document was finalized.

3. Action expected from the Executive Committee: the Committee may wish to urge Germany to find alternative sources of funding for the projects that it has remaining in its 2004 and 2005 business plans.

(c) Amendments to work programmes for 2004:

(i) UNEP

Document UNEP/OzL.Pro/ExCom/44/18: contains 44 activities submitted by UNEP, including 20 requests for new or renewed institutional strengthening projects. Nineteen of the activities were recommended for blanket approval and were considered in Agenda Item 7(a). Nineteen activities associated with refrigerant management plans will be considered in Agenda Item 7(e) on investment projects. Five proposals for renewal of institutional strengthening projects are for individual consideration, together with a proposal for extension of the Pacific Island Strategy to three additional Pacific Island States.

Issues to be addressed:

- Institutional strengthening for Somalia. A Country Programme and an RMP were submitted to this meeting together with a request for institutional strengthening for a further two years. The Country Programme and the RMP have been withdrawn for further development. Given the challenges Somalia faces in complying with the control measures of the Montreal Protocol, extension of the provisional institutional strengthening project for a further year could be considered on an exceptional basis.
- Institutional strengthening renewal for Cameroon. Cameroon may have returned to compliance with the control measures for CFCs, halons and methyl bromide. On this basis, there may be no impediment to renewal of Cameroon's institutional strengthening project for the second year of Phase III.
- Institutional strengthening renewal for Fiji. Fiji has reported to the Fund Secretariat a consumption of 1.5 ODP tonnes for controlled uses of methyl bromide, which exceeds the Montreal Protocol baseline limit for Fiji (0.7 ODP tonnes). Fiji therefore appears to be in non compliance with the Montreal Protocol's control measures for methyl bromide.
- Institutional strengthening renewal for Mali. At the time of preparation of this document, the 2003 country programme data had not been received from Mali.
- Institutional strengthening renewal for Nepal. At the time of preparation of this document the 2003 country programme data has not been received from Nepal. Additionally, Nepal's compliance situation in regard to CFCs is under review by the Parties.
- Extension of the PIC Strategy to the Cook Islands, Nauru and Niue at a level of funding of US \$141,000. The three countries have little consumption but have not so far received any assistance to achieve or sustain CFC phase-out. Under the PIC strategy they would join the eight existing countries in a complete CFC phase-out from 2005 onwards.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider approving on an exceptional basis interim funding for institutional strengthening activities in Somalia for a further one-year period at the level previously approved (US \$26,000).
2. Consider approving Cameroon's request for the second year of Phase I of its institutional strengthening project.
3. Consider approving Fiji's institutional strengthening project (Phase IV) for a one-year period without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance.
4. Consider approving Mali's institutional strengthening project (Phase III) for one year, with the condition that a request for extension to the second year can be submitted in 2005 provided that the report on progress with implementation of Mali's country programme for 2003 and 2004 had been received by the Fund Secretariat prior to the request for an extension being submitted.
5. Consider Nepal's institutional strengthening renewal request (Phase III) in the light of the Secretariat's comments regarding Nepal's compliance situation in document UNEP/OzL.Pro/ExCom/44/18 (paragraphs 29-31) and the lack of receipt of 2003 consumption data.
6. Consider approving the extension of the regional strategy for Pacific Island countries to include the Cook Islands, Nauru and Niue.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/44/19: contains 9 activities submitted by UNDP, including 7 requests for renewal of institutional strengthening projects. Five of the proposals were recommended for blanket approval and have therefore been considered in Agenda Item 7(a). One request, for Core Unit funding, will be considered under Agenda Item 5(f). Two institutional strengthening renewal requests are for individual consideration together with one proposal to provide Supplementary Oversight Services.

Issues to be addressed:

- Institutional strengthening for Iran. Iran has reported data to the Fund Secretariat that exceeds the existing baseline consumption levels for CTC and TCA. There is no cap on CTC consumption before 2005, however Iran appears to be in non-compliance with the TCA consumption freeze.
- Institutional strengthening for Lebanon. Lebanon has reported methyl bromide consumption data under Article 7 that is above Lebanon's methyl bromide baseline. Lebanon's request to change the MB baseline is to be reviewed by the Implementation Committee at its thirty-third meeting. If a decision to revise the MB baseline for Lebanon were taken by the Parties at

their sixteenth meeting, Lebanon may have returned to compliance by the time this request is considered. Otherwise, funding for one year may be appropriate.

- Provision of funding for Supplementary Oversight Services. UNDP has submitted a programme to provide additional assistance to countries for which it is implementing the investment component of an RMP.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider approving Iran's institutional strengthening project (Phase V) for a one-year period without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance
2. Consider renewal of Lebanon's institutional strengthening project (Phase IV) in the light of any relevant decision(s) taken at the sixteenth meeting of the Parties.
3. Consider UNDP's request for funding for Supplementary Oversight Services on the basis of the information provided in the project proposal and the comments from the Fund Secretariat (paragraphs 11-28 of document UNEP/OzL.Pro/ExCom/44/19)

(iii) UNIDO

Document UNEP/OzL.Pro/ExCom/44/20: contains 11 activities submitted by UNIDO including one request for renewal of an institutional strengthening project. Nine activities were recommended for blanket approval and have been considered in Agenda Item 7(a). One request, for Core Unit funding, will be considered under Agenda Item 5(f). One project preparation activity is referred for individual consideration.

Issues to be addressed:

- Project preparation for phase-out of bromochloromethane used as a process agent in Turkey. At their sixteenth meeting the Parties will consider new ODS process agent application, which if listed, will become eligible for project funding. If the relevant application is listed by the Parties, this project preparation request could be approved.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider approving Iran's institutional strengthening project (Phase V) for a one-year period without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance
2. Consider the project preparation request for Turkey in the light of any relevant decision(s) taken by the Parties at their sixteenth meeting.

(iv) World Bank

Document UNEP/OzL.Pro/ExCom/44/21: contains three activities submitted by the World Bank. Two activities, a project preparation request and an institutional strengthening project were recommended for blanket approval and have been considered in Agenda Item 7(a). One request, for Core Unit funding, will be considered under Agenda Item 5(f).

Issues to be addressed: none.

Action expected from the Executive Committee: Nil.

(d) Compliance Assistance Programme (CAP) budget (follow-up to Decision 41/38 (c) and work programme for UNEP for the year 2005

Document UNEP/OzL.Pro/ExCom/44/22: The 2005 Work Programme for UNEP submitted to the 44th Meeting consists of the proposed budget for UNEP's Compliance Assistance Programme (CAP) valued at US \$7,197,544 plus agency support costs of 8 per cent amounting to US \$575,804.

Issues to be addressed:

- The proposed 2005 CAP budget including the 8 per cent agency fee (US \$7,773,348) exceeds the approved 2004 budget (US \$7,298,532) by 6.5 per cent. At the time of approval of the original CAP budget, allowance was made for annual growth of up to 4 per cent for inflation. Consistent with previous years, UNEP is seeking specific increases above the 4 per cent inflation for some line items, partially offset by smaller increases in others. In particular UNEP has included a request for a "programmatic budget" of US \$90,000 to provide focussed technical expertise in designated areas and a specific request for US \$20,000 to cover the costs of mounting exhibitions and displays at four meetings. Without these costs the budget as submitted would constitute a 4.9 per cent increase, mainly in office rental (based on actual costs) and travel (based on operational needs).
- UNEP is seeking approval for the upgrade of one general service position consistent with reclassification of the position by the United Nations Office, Nairobi, one additional half-time general service position and approval for appointment of a halon officer for the West-Asia region for one year. UNEP is also seeking the views of the Executive Committee on a request from the West Asia Regional Network for addition of a new post of policy officer for compliance.

Action expected from the Executive Committee: the Committee may wish to:

1. Consider a CAP budget for 2005 at the amount of US \$7,087,544 plus support costs of US \$567,004 on the following basis:
 - an overall increase of 4.9 per cent to cover all requested costs other than the two items that constitute programme expansion (budget lines 2299 and 2304) for which no additional provision would be made;

- approval of the upgrade of the Information Clearing-house assistant post from G5 to G6;
- approval of the half-time general service post as assistant to the Regional Network Coordinator for Europe and Central Asia;
- provision within the budget allocation for a halon officer for the West Asia region,;
- that any additional professional position for the West Asia region should be funded from within the above CAP budget.

(e) Investment projects

Document UNEP/OzL.Pro/ExCom/44/16: contains in Annex II a list of 24 projects for individual consideration. All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in Agenda Item 7(a). Incremental costs have been agreed for all except three of the 24 projects.

Issues to be addressed:

- In the Annex II table (reproduced on the next page): each of the 24 projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the table *(if required, the Secretariat will outline the issue or issues involved)*.

Table 1: List of projects for individual consideration

Country	Sector	Project title	Agency	Document No
Projects routinely referred; no costs or eligibility issues.				
China	PRO	CFC production sector: 2005 annual programme	World Bank	UNEP/OzL.Pro/ExCom/44/33
China	PAG	Phase out the production and consumption of CTC for process agent and other non-identified uses (phase I): 2005 annual programme	World Bank	UNEP/OzL.Pro/ExCom/44/33
China	FUM	National plan to phase out methyl bromide (second tranche)	UNIDO	UNEP/OzL.Pro/ExCom/44/33
China	SOL	Solvent sector plan for ODS phase-out (6 th tranche)	UNDP	UNEP/OzL.Pro/ExCom/44/33
Cuba	FUM	Total phase-out of methyl bromide in soil fumigation, substrates, storage and structures	UNIDO	UNEP/OzL.Pro/ExCom/44/34
Lebanon	PHA	National phase-out management plan for Annex A (Group I) substances (CFCs) (first tranche)	France, UNDP	UNEP/OzL.Pro/ExCom/44/43
Panama	PHA	National phase-out plan for Annex A (Group I) substances (first tranche)	UNDP, UNEP	UNEP/OzL.Pro/ExCom/44/52
Sudan	PHA	National CFC/CTC phase-out plan (first tranche)	UNIDO	UNEP/OzL.Pro/ExCom/44/56
Verification				
Bahamas	PHA	Terminal phase-out management plan: 2004-2005 annual programme	World Bank	UNEP/OzL.Pro/ExCom/44/26
China	FOA	Sector plan for phasing out the use of CFC in the PU foam sector: 2005 annual programme	World Bank	UNEP/OzL.Pro/ExCom/44/33

Country	Sector	Project title	Agency	Document No
India	PHA	National CFC consumption phase-out plan	Germany, Switzerland, UNDP, UNEP, UNIDO	UNEP/OzL.Pro/ExCom/44/39
Indonesia	PHA	National CFC phase-out plan: (verification of the refrigeration part)	UNDP, World Bank, UNIDO	UNEP/OzL.Pro/ExCom/44/40
Nigeria	PHA	National CFC phase-out plan (third tranche)	UNDP	UNEP/OzL.Pro/ExCom/44/50
Compliance				
Bosnia and Herzegovina	PHA	National ODS phase-out plan: second tranche	UNIDO	UNEP/OzL.Pro/ExCom/44/28
Nepal	REF	Implementation of the refrigerant management plan	UNDP	UNEP/OzL.Pro/ExCom/44/49
Philippines	FUM	Technical assistance for a national methyl bromide phase-out strategy	World Bank	UNEP/OzL.Pro/ExCom/44/53
Thailand	FUM	National methyl bromide phaseout plan (first tranche)	World Bank	UNEP/OzL.Pro/ExCom/44/58
Other issues				
Morocco	FUM	Phase-out of methyl bromide used for soil fumigation in tomato production: project re-orientation proposal (request for change of technology)	UNIDO	UNEP/OzL.Pro/ExCom/44/46
Vietnam	PHA	National CFC and halon phase-out plan (1st tranche)	World Bank	UNEP/OzL.Pro/ExCom/44/61
Under discussion				
Antigua and Barbuda	PHA	CFC phase out plan	World Bank	UNEP/OzL.Pro/ExCom/44/24
Chile	FUM	Phase-out of all remaining uses of methyl bromide in soil application	World Bank	UNEP/OzL.Pro/ExCom/44/32
China	REF	Refrigeration servicing sector CFC phase-out plan (first tranche)	Japan, UNIDO	UNEP/OzL.Pro/ExCom/44/33
Egypt	SOL	Terminal solvent sector umbrella project (first tranche)	UNIDO	UNEP/OzL.Pro/ExCom/44/36
Kenya	PHA	Terminal CFC phase-out management plan	France	UNEP/OzL.Pro/ExCom/44/41

Action expected from the Executive Committee: the Committee may wish to consider approving each of the 24 projects listed in the table on the basis of: the information provided in the relevant project proposal document including the Secretariat's comments; any additional documents circulated in accordance with Decision 41/80; and, any additional information provided at the meeting by the Secretariat or the relevant implementing agency.

8. Country programmes

Documents UNEP/OzL.Pro/ExCom/44/63 and UNEP/OzL.Pro/ExCom/44/64: contain, respectively, the country programme of Cape Verde, and Sao Tome e Principe.

Issues to be addressed: None

Action expected from the Executive Committee: the Committee may wish to:

1. Approve the country programmes of Cape Verde and Sao Tome and Principe, noting that approvals of the country programmes do not denote approvals of the projects identified therein or their funding levels.
2. Request the Governments of Cape Verde and Sao Tome and Principe to report to the Executive Committee on the progress made in implementation of the country programme annually, and the first report should be submitted to the Secretariat no later than 1 May 2006.

9. Accounts of the Multilateral Fund:

(a) 2003 accounts

Document UNEP/OzL.Pro/ExCom/44/65: This document summarises issues raised in the context of the accounts of the Fund for the years 1991-2003.

Issues to be addressed:

- Late submission of audited accounts of the Fund by implementing agencies.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Continue with the practice of recording any changes reported by implementing agencies to previous period's expenditures as part of the current period transaction as a result of the reconciliation exercise between the Treasurer and the Implementing agencies.
2. Take note that UNEP's policy regarding its own fund in that any pledge to the Fund remaining unpaid after four years are written off with the approval of the Governing Council. In the case of the Multilateral Fund, such pledges would be written off with the approval of the Meeting of Parties.
3. Consider directing the Treasurer to review the pertinent aspects of the implementing agency agreements to address the issue of new cash advances being granted to implementing agencies when old ones have not been fully accounted for.

(b) Reconciliation of the 2002 and 2003 accounts (follow-up to Decision 43/39)

Documents UNEP/OzL.Pro/ExCom/44/66: addresses the issues pending from the 43rd Meeting of the Executive Committee on the reconciliation of 2002 and 2003 accounts of the Multilateral Fund (Decision 43/39).

Issues to be addressed:

- Adjustments for UNIDO by US \$221,148 in excess income;
- Additional transfers to UNDP (US \$2,369) and the World Bank (US \$719,239);
- Explanations provided by UNDP at the meeting concerning expenditure differences; and

- Interest from bilateral contributions held in interest-bearing accounts of implementing agencies.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Note the reconciliation of accounts as presented in UNEP/OzL.Pro/ExCom/44/66.
2. Request the Treasurer to adjust the accounts of UNIDO by US \$221,148 in excess income to be offset against approvals at the 44th Meeting, and UNIDO to provide supporting information for this adjustment in certified accounts in 2004 and audited accounts in 2005.
3. Request the Treasurer to transfer an additional US \$2,369 to UNDP and US \$719,239 to the World Bank in addition to approvals at the 44th Meeting as a result of the 2003 reconciliation, and UNDP and the World Bank to provide supporting information in certified accounts in 2004 and audited accounts in 2005.
4. Consider the explanations provided by UNDP concerning expenditure differences at the 44th Meeting.
5. Request bilateral agencies that advance funds to implementing agencies, which are then placed in interest bearing accounts, to return the interest collected as additional income to the Multilateral Fund in accordance with United Nations financial rules unless their agreements with bilateral agencies stipulate otherwise.

10. Revised 2005, 2006 and proposed 2007 budgets of the Fund Secretariat

Document UNEP/OzL.Pro/ExCom/44/67: presents the revised budgets for the years 2005 and 2006 and the proposed budgets for the year 2007 of the Fund Secretariat.

Action expected from the Executive Committee: the Executive Committee may wish to:

1. Approve the revised 2005 budget of the Fund Secretariat with an increase of US \$1,440,142 representing a 37.24 per cent increase over the 2005 budget previously approved, to cover operational costs of the Secretariat and the cost of the upgrade of a GS post from G5 to G7.
2. Approve the 2006 revised budget with an increase of 0.5 per cent as a result of the upgrade of a GS post from G5 to G7.
3. Approve the proposed 2007 budget which includes staff salaries for 2007 totalling US \$2,676,214.

11. Treatment/encashment of promissory notes (follow-up to Decisions 41/4 and 42/44)

Document UNEP/OzL.Pro/ExCom/44/68: refers to Documents UNEP/OzL.Pro/ExCom/43/54 and UNEP/OzL.Pro/ExCom/43/54/Add.1 containing the report from the Treasurer on the treatment/encashment of promissory notes, in response to Decision 41/4 and 42/44, which are available on the Multilateral Fund intranet and will be made available to the Executive Committee members during the meeting upon request. The Committee may wish to therefore give further consideration to the recommendations in these documents and take a decision on the issue, as appropriate.

12. Report on operation of the Executive Committee without Sub-Committees and potential for an inter-sessional approval procedure (follow-up to Decisions 41/92 and 43/3 (c))

Document UNEP/OzL.Pro/ExCom/44/69: contains the assessment of the operation of the 42nd and 43rd Meetings of the Executive Committee without the sub-committees and the feasibility to reduce the number of annual meetings from three to two.

Issues to be addressed:

- Adequacy of the new regime without the sub-committees to meet the needs of the Executive Committee;
- Feasibility to move to a two-meeting format annually; and
- Acceptability and modalities of an intersessional approval procedure.

Action expected from the Executive Committee: The Executive Committee may wish to:

1. Decide whether to continue with the new regime with no sub-committees for at least another year.
2. Consider the feasibility and the options proposed in the document for reducing the number of meetings from three to two per year.

13. Criteria for the assessment of the progress reports and verification audits of multi-year agreements (follow-up to Decision 43/38)

Document UNEP/OzL.Pro/ExCom/44/70: contains the revised version of the criteria for the assessment of the progress reports and verification audits of the multi-year agreements in response to Decision 43/38.

Issues to be addressed:

- Appropriateness and adequacy of the indicators and format for annual reporting of RMPs by LVCs and non-LVCs; and
- Appropriateness and adequacy of the criteria for verification audits of multi-year agreements.

Action expected from the Executive Committee: The Executive Committee may consider to:

1. To adopt enforcement of national policy on ODS imports and exports, retail prices of ODS, and amount of recovered and reused ODS as additional indicators for monitoring the implementation of refrigerant management plans in low-volume-consuming countries, in addition to the existing indicator for ODS consumption data as per Article 7 of the Montreal Protocol.
 2. To adopt the revised country programme report format contained in Annex I of the document UNEP/OzL.Pro/ExCom/44/70 as the format for reporting on RMP implementation in low-volume-consuming countries.
 3. To request low-volume-consuming countries to submit annual reports on the implementation of refrigerant management plans, as required in Decision 31/48, starting in 2006 using the revised format contained in Annex I of the document UNEP/OzL.Pro/ExCom/44/70.
 4. To request all medium- and large-volume consuming countries to submit, starting in 2006, the report on the implementation of country programmes using the revised format contained in Annex I of the document UNEP/OzL.Pro/ExCom/44/70.
 5. To review the new indicators and the revised reporting format in 2007.
 6. To adopt the general guidelines for the annual verification audits of the multi-year agreements in Section III.2 of this document as general guidance for such audits, bearing in mind the specific reporting requirement under each multi-year agreement.
- 14. Annual progress report on the Communication Strategy for global compliance with the Montreal Protocol (follow-up to Decision 41/99 (c))**

Document UNEP/OzL.Pro/ExCom/44/71: contains an update from UNEP on the progress in implementing the Communication Strategy in 2004, and highlights the important developments in raising awareness, disseminating information and involving media in supporting the goals of the Montreal Protocol.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the progress report, with appreciation.

15. Report of the Executive Committee's Subgroup on Production Sector

The report will be submitted to the Executive Committee after the Subgroup meets during the 44th Meeting.
