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ORIGINAL: ENGLISH

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

**Addendum**

**PROJECT PROPOSALS: CHINA**

This document is issued to:

Fumigant

- **Replace** paragraphs 57 and 58 **with** the following:

57. A draft agreement between the Government of China and the Executive Committee on the modalities for implementing the national phase-out plan for MB in China is contained in Annex I to the present document.

**RECOMMENDATION**

58. The Executive Committee may wish to consider:

- (a) Approving in principle the national plan for the phase-out of MB in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,279,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy);
- (b) Noting that the amount approved in principle includes US \$4,086,600 plus agency support costs of US \$306,495 that was previously approved for UNIDO at the 41st Meeting to phase-out of 389 ODP tonnes of methyl bromide as the first tranche of a future national plan for the phase-out of methyl bromide in the consumption sector in China; and

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- (c) Also approving the Agreement between the Government of China and the Executive Committee contained in Annex I to the present document.

Refrigeration

- **Replace** page 29 **with** the attached project evaluation sheet.
- **Add** the following paragraphs:

130(bis). UNIDO subsequently reported that the Government of China did not consider that it would be possible to verify consumption in the servicing sector by subtracting verified consumption in all other sectors from the verified total national CFC consumption. UNIDO proposed a draft agreement which maintained the maximum level of consumption in the servicing sector as a target, with the usual verification requirements. This would be supported by a thorough monitoring and reporting regime, specified in detail in the relevant appendix of the draft Agreement. The monitoring arrangements proposed by China are thorough. However they can only indicate reductions in consumption by enterprises that comply with reporting requirements or are inspected individually. Monitoring alone cannot verify maximum consumption levels in the servicing sector. The Secretariat is therefore cautious about recommending a process in which verification of sectoral consumption is required but cannot be implemented.

130(ter). As an alternative, the Secretariat has suggested that the maximum sectoral consumption should, in this case, not be specified as a verifiable target in the agreement. Instead, the agreement could refer to the total national consumption limit for CFC-12 that is associated with the proposed Accelerated Phase-out Plan and also to the levels of phase-out that are to be monitored under the proposed monitoring plan. Such an approach would be consistent with that taken in a number of other countries including Brazil, Nigeria, India and Indonesia (also submitted to this meeting), where potential or approved sectoral plans have been combined under national agreements with the specific objective of moving future verification requirements from the sectoral to the national level. From 2005 onwards the national CFC-12 consumption in China will be principally in the refrigeration sector, apart from some additional consumption for medical aerosols and MDI uses that appears to be well defined. National CFC-12 consumption can be readily verified through the production sector agreement and through import and export records.

130(qua). The draft Agreement for the refrigeration servicing sector in China has been prepared on this basis and is presented in Annex II to this document. Because proposed levels of stockpiling of CFCs under the Accelerated Phase-out Plan have not been specified separately for CFC-11 and CFC-12 in the APP documentation, it was not possible at the time of writing to insert the appropriate figures for national CFC-12 consumption into Appendix 2-A of the draft agreement. These figures will be included as soon as they they become available.

130(quin). The Executive Committee may wish to consider approval of the sector plan for phase out in the refrigeration servicing sector in China on the basis of the information provided above.

- **Replace** para. 131 **with** the following paragraph:

131. The sector plan is submitted for individual consideration.

**PROJECT EVALUATION SHEET – MULTI-YEAR PROJECTS****COUNTRY: CHINA****PROJECT TITLE****BILATERAL/IMPLEMENTING AGENCY**

Refrigeration servicing sector CFC phase-out plan

UNIDO and Japan

**NATIONAL CO-ORDINATING AGENCY:**

SEPA

**LATEST REPORTED CONSUMPTION DATA FOR ODS ADDRESSED IN PROJECT****A: ARTICLE-7 DATA (ODP TONNES, 2003, AS OF OCTOBER 2004)**

CFC	22,826		
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**B: COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES, 2003, AS OF OCTOBER 2004)**

ODS	Foam	Ref.	Aerosol	Tobacco fluffing	Solvents	Process agent	Fumigant
CFC-11	11,423	1,672	280	620	1,660	17	1,087.8
CFC-12	116	6,044	780				
CFC-13		20					
CFC-114							
CFC-114			7				
CFC-115		187					
<b>TOTAL</b>	<b>11,539</b>	<b>7,923</b>	<b>1,066</b>	<b>620</b>	<b>1,660</b>	<b>17</b>	<b>1,087.8</b>

**CFC consumption remaining eligible for funding (ODP tonnes)**

940.5

**CURRENT YEAR BUSINESS PLAN:** Total funding (UNIDO) US \$1.075 million: total phase-out: 200 ODP tonnes.

Project data		2004	2005	2006	2007	2008	2009	2010	Total
<b>CFC</b> (ODP tonnes)	Montreal Protocol limits	57,819	28,910	28,910	8,673	8,673	8,673	0 <sup>(1)</sup>	n.a.
	Annual consumption limit (refrig. service)	5,083	4,572	3,790	2,997	2,317	1,786	1,181 <sup>(2)</sup>	n.a.
	Annual phase-out from ongoing projects	0	0	0	0	0	0	0	
	Annual phase-out newly addressed	0.0	511	782	793	680	531	605	3,902
	Annual unfunded phase-out	0	0	0	0	0	0	0	
<b>TOTAL ODS CONSUMPTION TO BE PHASED OUT</b>		0.0	511	782	793	680	531	605	3,902
Total ODS consumption to be phased-in (HCFCs)			0	0	0	0	0	0	0
<b>Project costs (US \$ , 000):</b>									
Funding for lead agency, UNIDO		1,000	0	700	700	700	500	285	3,885
Funding for Japan		1,000	3,000	0	0	0	0	0	4,000
<b>Total project funding</b>		2,000	3,000	700	700	700	500	285	7,885
<b>Support costs (US \$ , 000)</b>									
Support cost for lead agency, UNIDO		75	0	52.5	52.5	52.5	37.5	21.38	291.38
Support cost for Japan		130	390	0	0	0	0	0	520.0
<b>Total support costs</b>		205	390	52.5	52.5	52.5	37.5	21.38	811.38
<b>TOTAL COST TO MULTILATERAL FUND (US \$ , 000)</b>		2,205	3,390	752.5	752.5	752.5	537.5	306.38	8,696.38
Project cost effectiveness (US \$/kg)									5.48

<sup>(1)</sup> Except for essential uses as agreed by the Parties; <sup>(2)</sup> Service tail from stockpiles**FUNDING REQUEST: Approval in principle of total ODS phase-out, total project funding and total support costs, and approval of funding for first tranche (2004) as indicated above.**

<b>SECRETARIAT'S RECOMMENDATION</b>	For individual consideration
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**Annex I**

**AGREEMENT BETWEEN THE GOVERNMENT OF CHINA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL METHYL BROMIDE PHASE-OUT PLAN (DRAFT)**

2. At its 44th Meeting, the Executive Committee:
- (a) Approved in principle the national plan for the phase-out of methyl bromide in the consumption sector in China at a total level of funding of US \$14,789,342 (US \$10,789,342 for UNIDO and US \$4,000,000 for the Government of Italy) plus agency support costs of US \$1,259,201 (US \$809,201 for UNIDO and US \$470,000 for the Government of Italy); and
  - (b) Noted that the amount approved in principle included US \$4,086,600 plus agency support costs of US \$306,495 that was previously approved for UNIDO at the 41st Meeting to phase-out of 389 ODP tonnes of methyl bromide as the first tranche of a future national plan for the phase-out of methyl bromide in the consumption sector in China.
3. As reported to the Ozone Secretariat and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline consumption for China is 1,102.1 ODP tonnes. China's methyl bromide consumption in 2002 was 1,087.8 ODP tonnes. Accordingly, China must reduce its consumption of methyl bromide in 2005 to no more than 881.7 ODP tonnes to achieve compliance with the Montreal Protocol's 20 per cent reduction in 2005.
4. Through the implementation of the national plan for the phase-out of methyl bromide in the consumption sector, the Government of China commits to a permanent reduction in aggregate consumption of controlled uses of MB to no more than the levels indicated in Table 1:

**Table 1.**

Year	Amount of methyl bromide to be phased-out (ODP tonnes)			Maximum allowable level of consumption (ODP tonnes)
	Total	UNIDO	Italy	
2002	0.0	0.0	0.0	1,087.8
2003	0.0	0.0	0.0	1,087.8
2004	0.0	0.0	0.0	1,087.8
2005	207.8	207.8	0.0	880.0
2006	156.2	156.2	0.0	723.8
2007	153.2	65.2	88.0	570.6
2008	180.6	124.6	56.0	390.0
2009	140.0	0.0	140.0	250.0
2010	41.0	0.0	41.0	209.0
2011	33.0	0.0	33.0	176.0

Year	Amount of methyl bromide to be phased-out (ODP tonnes)			Maximum allowable level of consumption (ODP tonnes)
	Total	UNIDO	Italy	
2012	26.0	0.0	26.0	150.0
2013	50.0	0.0	50.0	100.0
2014	50.0	0.0	50.0	50.0
2015	50.0	0.0	50.0	0.0
Total	1,087.8	553.8	534.0	

5. The Government of China 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 at a later date, the responsibility to ensure its phase-out will lie solely with the Government of China.

6. China also commits to permanently sustain the consumption levels indicated above through import restrictions and other policies it may deem necessary. UNIDO and the Government of Italy shall report annually to the Executive Committee on the progress respectively achieved in meeting the reductions required by the project.

7. In exchange for the funding level specified in Table 2 below, China commits to eliminate its total national consumption of controlled uses of methyl bromide in accordance with the limits specified in Table 1 above, with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

**Table 2.**

Year	Funding disbursement (US\$)						
	UNIDO		Italy		Total		
	Project cost	Support cost	Project cost	Support cost	Project cost	Support cost	Grand total
2003*	4,086,600	306,495			4,086,600	306,495	4,393,095
2004							
2005			900,000	109,000	900,000	109,000	1,009,000
2006			2,200,000	252,000	2,200,000	252,000	2,452,000
2007	1,200,000	90,000	900,000	109,000	2,100,000	199,000	2,299,000
2008	1,800,000	135,000			1,800,000	135,000	1,935,000
2009	1,300,000	97,500			1,300,000	97,500	1,397,500
2010	600,000	45,000			600,000	45,000	645,000
2011	500,000	37,500			500,000	37,500	537,500
2012	500,000	37,500			500,000	37,500	537,500
2013	500,000	37,500			500,000	37,500	537,500
2014	302,742	22,706			302,742	22,706	325,448
Total	10,789,342	809,201	4,000,000	470,000	14,789,342	1,279,201	16,068,543

\* Fund approved at the 41st Meeting of the Executive Committee.

8. The Government of China, in agreement with UNIDO and the Government of Italy, will have the flexibility to organize and implement the project components that it deems most

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

9. 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 methyl bromide consumption sector projects or any related activities in China.





**Annex II****DRAFT AGREEMENT BETWEEN CHINA AND  
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND  
FOR THE PHASE-OUT OF CFCs IN THE REFRIGERATION SERVICING SECTOR**

1. This Agreement represents the understanding of the People's Republic of China (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the refrigeration-servicing sector in the country set out in Appendix 1-A (the "Substances") prior to 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out Targets set out in Appendix 2-A and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the Substances other than funding for the MDI and Pharmaceutical Aerosol sectors, which are not considered in this Agreement. The country reserves the right to request funds for the MDI and Pharmaceutical Aerosol sectors in the future in accordance with the prevailing eligibility and funding criteria of the Multilateral Fund.
3. Subject to compliance with the following paragraphs by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 10 of Appendix 2-A (The Targets, and Funding) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the "Funding Approval Schedule").
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of the Targets set out in Appendix 2-A Row 1 (Max Allowable total consumption of CFC-12) has been independently verified as described in paragraph 9, and that the meeting of targets set out in Appendix 2-A Row 2 (Total consumption of CFCs in the refrigeration servicing sector) has been confirmed through monitoring and auditing activities undertaken by the Government of China as listed in Appendix 5-A;

- (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (“Format for Annual Implementation Programmes”) in respect of the year for which funding is being requested.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 9.

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

8. Specific attention will be paid to the execution of the activities in the refrigeration servicing sector:

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration servicing sector will be implemented in stages so that remaining resources can be diverted to other phase-out activities, such as additional training or procurement of service tools, in case where the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this Agreement.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and Japan has agreed to be a co-operating implementing agency (“Co-operating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Co-operating IA will be responsible for carrying out the activities listed in Appendix 6-B. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA and the Co-operating IA with the fees set out in rows 7 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in Appendix 1-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next instalment of Funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of the amount exceeded the total consumption of CFCs, in the servicing sector in any one year.

11. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA and the Co-operating IA to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA and the Co-operating IA to information necessary to verify compliance with this Agreement.

13. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Protocol unless otherwise defined herein.

#### **Appendix 1-A THE SUBSTANCES**

The ozone-depleting substances to be phased out under the Agreement are as follows.

Annex A:	Group I	CFC-11 and CFC-12
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**Appendix 2-A THE TARGETS, AND FUNDING**

	2004	2005	2006	2007	2008	2009	2010
Montreal Protocol Reduction Schedule (ODP tonnes)	57,818.7	28,909.3	28,909.3	8,672.8	8,672.8	8,672.8	0
Max allowable total consumption of CFCs <sup>(1)</sup> (ODP tonnes)	25,300 <sup>(2)</sup>	18,750	13,500	7,400	550	550	0 <sup>(5)</sup>
1. Max allowable total National Consumption of CFC-12 [production-exports+imports] (ODP tonnes)	tbd	tbd	tbd	tbd	tbd	tbd	0 <sup>(5)</sup>
2. Total consumption of CFCs in the refrigeration servicing sector (ODP tones)	5,083 <sup>(3)</sup>	4,572	3,790	2,997	2,317	1,786	1,181 <sup>(4)</sup>
3. Reduction from on-going projects (ODP tonnes)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
4. New reduction under plan (ODP tonnes)	0.0	511	782	793	680	531	605
5. Total annual reduction (ODP tonnes)	0.0	511	782	793	680	531	605
6. Co-operating I.A. agreed funding	1,000,000	3,000,000					
7. Co-operating I.A. support cost	130,000	390,000					
8. Lead I.A. agreed funding	1,000,000		700,000	700,000	700,000	785,000	0
9. Lead I.A. support costs	75,000	0	52,500	52,500	52,500	58,880	0
10. Total agreed funding (US \$ million)	2,000,000	3,000,000	700,000	700,000	700,000	785,000	0
11. Total agency support costs (US \$ million)	205,000	390,000	52,500	52,500	52,500	58,880	0

<sup>(1)</sup> According to the "Accelerated CFC and Halons Phase-out Plan in China", including CFCs Annex A, Groups I and II.

<sup>(2)</sup> Estimate

<sup>(3)</sup> Estimate

<sup>(4)</sup> Service tail requirement to be covered from stockpile

<sup>(5)</sup> Except for essential uses as agreed by Parties

**Appendix 3-A FUNDING APPROVAL SCHEDULE**

1. Funding prior to the year will be considered for approval at the last meeting of the year of the annual implementation plan.

**Appendix 4-A ANNUAL IMPLEMENTATION PROGRAMME**

1. **Data**

Country

Year of plan

# of years completed

# of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency(ies)

2. **Targets**

<b>Target:</b>				
<b>Indicators</b>		<b>Preceding Year, 2003</b>	<b>Year of Plan, 2004</b>	<b>Reduction</b>
Supply of ODS	Import			
	Production*			
	<b>Total (1)</b>			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	<b>Total (2)</b>			

\* For ODS-producing countries

**3. Industry Action**

Sector	Consumption Preceding Year (1)	Consumption Year of Plan (2)	Reduction within Year of Plan (1)-(2)	Number of Projects Completed	Number of Servicing Related Activities	ODS Phase-Out (in ODP tonnes)
<b>Manufacturing</b>						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
<b>Total</b>						
<b>Servicing</b>						
Refrigeration						
<b>Total</b>						
<b>GRAND TOTAL</b>						

**4. Technical Assistance**

Proposed Activity:

Objective:

Target Group:

Impact:

**5. Government Action**

Policy/Activity Planned	Schedule of Implementation
Policy Control on ODS Import	
Public Awareness	
Others	

**6. Annual Budget**

<b>Activity</b>	<b>Planned Expenditures (US \$)</b>
<b>TOTAL</b>	

**7. Administrative Fees**

**Appendix 5-A MONITORING INSTITUTIONS AND ROLES**

1. The State Environmental Protection Administration (SEPA) will monitor the consumption data of all ODS and the implementation activities of the Plan. Inspections at converted companies by the IAs and SEPA are foreseen to ensure permanent phase out of CFCs after project completion. The licensing system, which is under approval, will be a tool to monitor and ensure compliance of control measures.

2. The Government of China will ensure continuity of activities and their endorsement for the efficient implementation of the projects as well as verification of consumption through the institutional support component. This will guarantee the success of any activity approved for China under this Agreement.

3. In addition to the establishment of the country-wide scheme for refrigerant recovery and recycling, the monitoring component will be initiated to determine whether the project is successfully implemented and whether the CFC phase-out target is achieved.

4. The monitoring component will include the following activities:

- (a) Establishing a system to ensure that every recycling and reclamation centre and substantive-size service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops;
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data;
- (c) Regular communication with the regional environmental and industry departments, customs offices, education and training institutions and industry associations;

- (d) Occasional visits to service workshops, recycling and reclamation centres; and
- (e) Providing access and support as well as bearing the cost of independent audits required for the verification of CFC consumption.

5. Following information will have to be supplied by the recycling and reclamation centres and substantive-size service workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type of appliances at every service workshop (commercial, MAC, domestic, etc.);
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled/reclaimed CFC refrigerants at recycling/reclaim centres;
- Amount of recycled/reclaimed CFC refrigerants returned (sold) to workshops;
- Amount of recycled/reclaimed CFC refrigerants used in workshops and its application;
- Amount of virgin refrigerant by type consumed in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants, etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Cost of reclaiming at every reclamation centre and parties who bear the cost;
- Price of reclaimed CFC refrigerants;
- Other financial information relevant to monitoring the recovery recycling and reclamation scheme.

6. The collected data and information will be analysed to check for the adequate operations of the scheme.



**Appendix 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement, and with the rules and guidelines of the Multilateral Fund, and with specific internal procedures and requirements as set out in the refrigeration servicing sector phase-out plan;
- (b) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing an Annual Implementation Programme for the year for submission to the Executive Committee at its first meeting of the year;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Ensuring that disbursements are made to the Country in a timely and effective manner; and
- (k) Providing assistance with policy, management and technical support when required.

**Appendix 6-B ROLE OF THE CO-OPERATING IMPLEMENTING AGENCY**

1. Japan as co-operating agency, will be:

- (a) Assisting the Country in the implementation and verification of the activities to be undertaken by UNIDO as funded in rows 6 and 8 of Appendix 2-A and as specified in the project document;
- (b) Ensuring that disbursements are made to the country through UNIDO in a timely and effective manner;
- (c) Reporting to the Lead IA on these activities and
- (d) Providing assistance relating to the activities being undertaken when required.

#### **Appendix 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,000 per ODP tonne of reductions in national CFC-12 consumption not achieved in the year.

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