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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-sixth Meeting
Montreal, 4-8 July 2005

**REPORT OF THE FORTY-SIXTH MEETING OF THE
EXECUTIVE COMMITTEE**

Introduction

1. The 46th Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the headquarters of the International Civil Aviation Organization (ICAO) in Montreal from 4 to 8 July 2005.
2. The Meeting was attended by representatives of the following countries, members of the Executive Committee, in accordance with decision XVI/43 of the Sixteenth Meeting of the Parties to the Montreal Protocol:
 - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Austria (Chair), Belgium, Canada, the Czech Republic, Japan, the United Kingdom of Great Britain and Northern Ireland and the United States of America;
 - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Brazil, Cuba, Niger, the Syrian Arab Republic (Vice-Chair), Thailand, The former Yugoslav Republic of Macedonia and Zambia.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. The Meeting was also attended by the President and the Vice-President of the Implementation Committee.

5. The Executive Secretary and the Monitoring and Compliance Officer of the Ozone Secretariat were present.

6. A representative from the Alliance for Responsible Atmospheric Policy also attended as an observer.

AGENDA ITEM 1: OPENING OF THE MEETING

7. The Meeting was opened at 10:00 a.m. on Monday, 4 July 2005, by the Chair, Mr. Paul Krajnik (Austria), who welcomed the participants to Montreal. He indicated that it was a very important meeting as it marked the half-way point in the final year of the 2003-2005 funding triennium. It was also the year in which Article 5 Parties were to achieve reductions in consumption of 50 per cent below their respective CFC baselines and 85 per cent below their carbon tetrachloride (CTC) baselines, as well as a reduction of 30 per cent in the consumption of methyl chloroform (TCA) and 20 per cent in the consumption of methyl bromide.

8. The Chair stated that the Secretariat had advised that the value of projects and activities submitted for the year to date amounted to less than 43 per cent of the consolidated 2005 business plan of the Fund, so that even if all submissions were approved at the Meeting, the list of projects and activities submitted at the last Meeting of the year in November could amount to more than US \$133 million, which would be a record level of approvals.

9. The Chair drew members' attention to several particularly important issues to be covered in agenda items 6(a), 6(d), 8 and 10. He concluded by noting that agenda item 15, held over from the 45th Meeting, would require clear guidance to the Secretariat as to how operations were to be structured.

AGENDA ITEM 2: ORGANIZATIONAL MATTERS

(a) Adoption of the agenda

10. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/46/1:

1. Opening of the meeting.
2. Organizational matters:
 - (a) Adoption of the agenda;
 - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.

5. Status of resources and planning:
 - (a) Report on balances and availability of resources;
 - (b) 2005 business plans;
 - (c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol.

6. Programme implementation:
 - (a) Final report on the evaluation of methyl bromide projects;
 - (b) Desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform;
 - (c) Amendment to the monitoring and evaluation work programme for the year 2005;
 - (d) Progress reports as at 31 December 2004:
 - (i) Consolidated progress report;
 - (ii) Bilateral cooperation;
 - (iii) UNDP;
 - (iv) UNEP;
 - (v) UNIDO;
 - (vi) World Bank;
 - (e) Evaluation of the implementation of the 2004 business plans and follow-up to decision 45/59 (c);
 - (f) Qualitative performance indicators and feasibility and desirability of extending current performance indicators to bilateral implementing agencies (follow-up to decisions 44/6 and 45/59 (d) (ii));
 - (g) Project implementation delays and follow-up to decision 45/59 (e);
 - (h) Report on implementation of approved projects with specific reporting requirements.

7. Project proposals:
 - (a) Overview of issues identified during project review;

- (b) Bilateral cooperation;
 - (c) Amendments to work programmes for 2005:
 - (i) UNEP;
 - (ii) UNDP;
 - (iii) UNIDO;
 - (iv) World Bank;
 - (d) Investment projects.
8. Study on criteria and modalities for chiller demonstration projects (decisions 45/4 (d) and 45/60).
 9. Provisional 2004 accounts.
 10. Draft agreement between the Treasurer and the implementing agencies (follow-up to decision 45/58 (b)).
 11. Review of the administrative cost regime (decision 44/7).
 12. Report on programme support costs of bilateral cooperation projects (follow-up to decisions 43/40 and 45/57).
 13. Report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances (decision 44/63).
 14. Phase-out agreements: flexibility conditions (decision 45/15).
 15. Criteria for the assessment of the progress reports and verification audits of multi-year agreements (decision 44/58).
 16. Report on the operation of the Executive Committee (decisions 44/57 and 45/56 (b)).
 17. Draft outline of an Executive Committee primer (decision 45/59 (d) (i)).
 18. Report of the Executive Committee's Subgroup on the Production Sector.
 19. Other matters.
 20. Adoption of the report.
 21. Closure of the meeting.

(b) Organization of work

11. The Executive Committee agreed to follow its customary procedure. It also agreed to take up agenda item 13 immediately after agenda item 8 and agenda item 15 immediately after agenda item 5. It noted that the report on progress on documenting internal procedures and practices of the Treasurer (UNEP/OzL.Pro/ExCom/46/Inf.2) would be discussed under agenda item 19 “Other matters”.

AGENDA ITEM 3: SECRETARIAT ACTIVITIES

12. The Chief Officer drew the Meeting’s attention to document UNEP/OzL.Pro/ExCom/46/2, which described the activities of the Secretariat since the 45th Meeting. She indicated that the Secretariat had prepared 22 documents for the 46th Meeting and that all documents had been placed on the Fund Secretariat’s public website for public access.

13. In the process of project review, 31 projects and activities were submitted for blanket approval, five for individual consideration and 10 had to be either withdrawn or deferred through lack of information, lack of verification or because eligibility was in doubt.

14. She and/or other members of the Secretariat had attended several meetings, including the GEF Council meeting in Washington, the Technology and Economic Assessment Panel (TEAP) meeting in Germany to discuss replenishment of the Multilateral Fund in line with decision 44/62, and the 7th International Conference on Compliance and Enforcement in Marrakech (Morocco). Staff had also attended all the regional network meetings since the last Committee meeting, in particular to respond to the request in decision 44/6 to facilitate discussions on qualitative performance indicators.

15. The Chief Officer mentioned that the Secretariat had prepared a leaflet presenting the activities of the Multilateral Fund. The leaflet was designed to provide government policy-makers with basic information on the achievements and operations of the Fund. The Secretariat welcomed feedback from the Committee on the leaflet, which would be used as the basis for a more detailed brochure to be produced for the celebration of the 20th anniversary of the Vienna Convention in September 2005.

16. The Chief Officer noted in closing the departure of valued staff members, Ms. Martha Leyva, who was taking up a temporary assignment in the Ozone Secretariat, and Mr. Valery Smirnov, who was retiring, and paid tribute to their dedication to the organization and aims of the Multilateral Fund.

17. The Executive Committee took note with appreciation of the report on Secretariat activities.

AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS

18. The Treasurer introduced the report on the status of the Fund (UNEP/OzL.Pro/ExCom/46/3) and gave a verbal update on the status as at 30 June 2005.

19. He explained that initial invoices for 2005 had first been dispatched in January and that the second dispatch was due to be completed by the end of July. The Treasurer indicated that since the 45th Meeting he had received 11 new cash payments and two promissory notes, together with bilateral cooperation credits that brought the amount received to 45.58 per cent of the 2005 pledges. Total income, including cash payments, promissory notes, bilateral cooperation credits, interest, and miscellaneous income therefore stood at US \$1,971,211,109. He also explained that allocations to implementing agencies and provisions totalled US \$1,881,455,994, leaving an available Fund balance of US \$89,755,115. Furthermore, the fixed-exchange-rate mechanism had resulted in gains of US \$5,213,931.

20. Included in document UNEP/OzL.Pro/ExCom/46/3 were two tables relating to promissory notes prepared in response to decision 45/59, which requested the Treasurer to circulate to the Secretariat and implementing agencies prior to each Executive Committee meeting the status of promissory notes and a ledger indicating transfer, receipt and encashment of promissory notes.

21. In response to a question on the action taken by the Secretariat since the last Meeting regarding outstanding contributions, the Chief Officer clarified that in accordance with decision 45/2, which requested the Chair to write to countries that had not responded to requests from the Treasurer for payment of their outstanding contributions and to report to the 47th Meeting, the Secretariat had now gathered all the necessary information and would assist the Chair in writing to countries intersessionally so that a report could be submitted to the 47th Meeting of the Committee.

22. Following a discussion, the Executive Committee decided to take note, with appreciation, of the report of the Treasurer, including the tables showing the updated status of the Fund and the ledger on the issuing, receipt and encashment of promissory notes as at 30 June 2005, which are reproduced in Annex I to the present report.

(Decision 46/1)

AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING

(a) Report on balances and availability of resources

23. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/46/4, which reported on balances and availability of resources. He informed members that US \$1,983,485 in project funds and US \$246,548 in support costs had been returned from completed and cancelled projects. In addition to this amount exceeding US \$2 million, the Multilateral Fund had received more than US \$30 million from balances during the current triennium. Taking account of the status of contributions as at 30 June 2005 presented by the

Treasurer to the present Meeting and funds returned from cancelled projects, the total sum available for approvals at the 46th Meeting could be updated to US \$91,985,148, which was sufficient to cover all the requests for funding to be discussed at the 46th Meeting, amounting to US \$25.3 million.

24. Following the discussion, the Executive Committee decided to note:

- (a) The report on project balances contained in UNEP/OzL.Pro/ExCom/46/4;
- (b) The net level of funds being returned by the multilateral implementing agencies to the 46th Meeting against project balances totalling US \$1,983,485, including the return of US \$69,845 from UNDP; US \$1,216,495 from UNEP; US \$18,797 net of reimbursement of funds previously returned twice for one project from UNIDO; and US \$678,348 from the World Bank;
- (c) The net level of support costs being returned by the multilateral implementing agencies to the 46th Meeting against project support cost balances totalling US \$246,548, including the return of US \$9,040 from UNDP; US \$142,965 from UNEP; US \$6,362 net of reimbursement of support costs previously returned twice for one project by UNIDO; and US \$88,181 from the World Bank;
- (d) That implementing agencies had balances totalling US \$2,940,519 excluding support costs from projects completed over two years previously: UNDP--US \$484,719 plus support costs; UNEP--US \$40,063 plus support costs; and the World Bank--US \$2,415,737 plus support costs; and
- (e) That US \$91,985,148 was available to the Executive Committee for approvals at the 46th Meeting.

(Decision 46/2)

(b) 2005 business plans

25. The Executive Committee considered the documents on the status of the implementation of the 2005 business plans (UNEP/OzL.Pro/ExCom/46/5 and Add.1), in the light of the submissions made to the 46th Meeting.

26. The representative of the Secretariat said that US \$31.5 million in projects had been submitted to the 46th Meeting, and the Executive Committee would be called on to approve US \$133 million for 12 new multi-year agreements and 205 projects (including 32 tranches for multi-year agreements already approved) at its 47th Meeting. He said that if that level of approvals was achieved at the 47th Meeting, it would represent the largest amount ever approved by the Executive Committee at a single meeting.

27. Concern was expressed regarding the low number of projects being considered by the Meeting and the high number of projects to be considered at the 47th Meeting. The Executive Committee had been urged by the Parties to allocate all the resources approved for the triennium

and it was felt that the large number of proposals that were being made to the 47th Meeting might make that difficult to achieve. It was pointed out that US \$3.1 million was required to assist countries subject to compliance decisions and that projects for those countries had not yet been submitted. The Executive Committee was also being asked to consider new funding for projects that were not necessary for compliance. The implementation of projects for countries at risk of non-compliance was a matter of priority and it was suggested that projects that directly helped countries to meet their control obligations should be approved.

28. The representative of UNDP said that, in the case of UNDP, a large part of the business plan related to the tranches of funding due for multi-year agreements. She also said that a small number of preparatory activities had been approved in April and were not expected to be completed before the end of the year. In terms of the implementation of projects, the reason that one of the projects listed was not moving forward was that the government concerned had not signed the required document. The Bangladesh phase-out agreement was awaiting signature by the Government. The Guatemala refrigerant management plan (RMP) had been delayed.

29. One representative indicated that the backlog of projects to be considered reinforced the need for an inter-sessional procedure to help move the process forward. The representative of the World Bank also said that, in the case of the World Bank, most of the projects for consideration related to multi-year agreements and were therefore not due for submission before the end of the year.

30. The representative of UNEP said that, historically, the last meeting of the year always considered a greater number of projects from UNEP than any other meeting. He also said that, in the case of the RMP for Saint Vincent and the Grenadines, the country was well on the way to compliance and the project would be submitted to the 47th Meeting. In the case of Fiji, projects were being prepared with UNDP and UNEP.

31. The representative of UNIDO said that the 45th Meeting had approved nearly half of UNIDO's projects for the year. Another quarter were being considered at the 46th Meeting, although several were being deferred. He also said that, as with the other implementing agencies, a number of preparatory activities had only been approved at the last Meeting of the Executive Committee and many requests referred to multi-year agreements that were therefore not due for submission before the end of the year. He said that in the case of the Islamic Republic of Iran, the CTC/TCA baseline issue was being addressed by the Implementation Committee.

32. After a discussion on the countries in the 2005 business plans that were at risk of non-compliance, and the activities left to be submitted in the 2005 business plans, the Executive Committee decided:

(a) To note:

(i) The report on the status of implementation of the 2005 business plans as contained in documents UNEP/OzL.Pro/ExCom/46/5 and Add.1;

- (ii) With concern, the number of proposals to be submitted to the 47th Meeting of the Executive Committee and also, in the light of paragraph 3 of decision XIV/39 of the Meeting of the Parties requesting “that the whole of the budget for 2003-2005 is committed by the end of 2005”, the fact that US \$133 million was left to be submitted for activities in the 2005 business plans containing 12 new multi-year agreements and 205 other projects, plus activities for the global chiller programme;
- (b) To urge bilateral and multilateral implementing agencies with projects in the 2005 business plans for countries subject to decisions of the Meeting of the Parties on compliance to submit those projects to the 47th Meeting of the Executive Committee as a matter of urgency; and
- (c) To request the Fund Secretariat to include in all further reports an explanatory section for the table on projects to be submitted for countries subject to compliance decisions in the report on the status of implementation of the annual business plans.

(Decision 46/3)

(c) Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol

33. The Executive Committee considered the report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate measures of the Montreal Protocol (UNEP/OzL.Pro/ExCom/46/6 and Add.1), presented by the representative of the Secretariat. A copy of the report had also been submitted to the 34th Meeting of the Implementation Committee, where a presentation had been made on countries whose 2004 consumption data had exceeded control levels. The document contained three parts: Part I had been prepared in response to decision 32/76(b) of the Executive Committee and presented analyses of potential compliance for CFCs, halons, methyl bromide, CTC and TCA; Part II addressed the status of implementation in countries that had been subject to decisions of the Parties on compliance and those that appeared to be in non-compliance; Part III contained an analysis of the consumption data for ozone-depleting substances (ODS) by sector based on submissions by Article 5 countries to the Executive Committee in their reports on the implementation of their country programmes. He said that 16,373 ODP tonnes of consumption remained in Article 5 countries that had not been addressed by projects and agreements approved by the Executive Committee, which was lower than the figure of 23,000 ODP tonnes for the previous year.

34. The representative of the Secretariat said that the Executive Committee was being requested to ask bilateral and implementing agencies to include phase-out activities for Kyrgyzstan and Somalia for halons, and Nepal, Sierra Leone and Uganda for CTC. As of 1 June 2005, only 66 Article 5 countries had submitted 2004 country programme implementation data. In closing, he said that the Fund Secretariat would appreciate the comments of the Executive Committee on the format for future status/prospects of compliance reports as these contained a

significant volume of data on countries that were in compliance and were expected to remain in compliance with future control measures.

35. In response to a request for clarification about the deadline for information for inclusion in the report, the representative of the Secretariat said that the report contained all the information that had been received by the Multilateral Fund Secretariat by 1 June 2005.

36. After discussion concerning the phase-out of Brazil's CFC production, followed by the need to cover in the report the status of and prospects for compliance for all Article 5 countries, including those that had not received funding from the Multilateral Fund, the need to focus on countries in non-compliance, to consider the 2007 requirement to reduce CFCs to 85 per cent of the baseline, and also the need for the timely submission of data, as well as data on the implementation of country programmes, the Executive Committee decided:

- (a) To note the report on status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol as contained in documents UNEP/OzL.Pro/ExCom/46/6 and Add.1;
- (b) To note that Brazil had phased out its CFC production;
- (c) To request the Secretariat to reformat the report to focus on actual and potential compliance issues, to address the 85 per cent reduction for CFCs in 2007, and to include a report on all Article 5 countries;
- (d) To encourage bilateral and implementing agencies to provide requests for project proposals to the 47th Meeting, or in their 2006 business plans, that would address the following countries at risk of non-compliance:
 - (i) For halons: Kyrgyzstan and Somalia (when the conditions appeared conducive to a sustainable operation);
 - (ii) For CTC: Nepal, Sierra Leone, and Uganda; and
- (e) To urge bilateral and implementing agencies implementing institutional strengthening projects to continue their efforts to obtain data from National Ozone Units (NOUs) on the implementation of their country programmes and to inform NOUs of the requirement to provide all data necessary in order to receive the maximum two-year renewal of institutional strengthening.

(Decision 46/4)

AGENDA ITEM 6: PROGRAMME IMPLEMENTATION

(a) Final report on the evaluation of methyl bromide projects

37. The Senior Monitoring and Evaluation Officer presented the final report on the evaluation of methyl bromide projects (UNEP/OzL.Pro/ExCom/46/7). He explained that the evaluation had comprised two stages: a desk study and a field study, undertaken in 13 countries, which considered in detail the four largest methyl-bromide-consuming sectors in countries operating under Article 5. The desk study had identified relevant issues that needed further analysis during the field stage of the evaluation, namely, phase-out achieved and compliance with the agreed schedules; sustainability of the phase-out achieved and commercial adoption constraints; impact of demonstration projects on effective technology transfer; and format and structure of the reports. All draft country reports had been circulated to the relevant countries and bilateral and implementing agencies for comments, which had been incorporated into the reports.

38. There was general appreciation of the work undertaken in completing the evaluation. The Senior Monitoring and Evaluation Officer clarified that there had not, to his knowledge, been any instances in which a shortage of resources of funding from the Fund had impeded methyl bromide phase-out. The main problem had been that certain companies were not convinced that there was an economically competitive replacement for the substance. One member drew the Committee's attention to paragraph 33 of the report (document UNEP/OzL.Pro/ExCom/46/7), which stated that methyl bromide could not be replaced by one sole and equally effective alternative and that users' reluctance to change their approach to production and process management was often the main challenge to the adoption of alternatives.

39. The representative of UNDP stated that because her organization's website was in the process of being updated and would show further details of UNDP methyl-bromide phase-out projects, UNDP would prefer to provide to UNEP and UNIDO the link to the UNDP website so they could incorporate it in their own websites.

40. Having considered the issues raised in the report, the Executive Committee decided:

- (a) To note with appreciation the information provided in document UNEP/OzL.Pro/ExCom/46/7 on evaluation of methyl bromide projects;
- (b) To urge:
 - (i) Bilateral and/or implementing agencies and National Ozone Units (NOUs), as required by the revised strategy and guidelines for projects in the methyl bromide sector, to involve more fully all key stakeholders such as relevant government agencies, farmers and farmers' associations, fumigation companies using methyl bromide, methyl bromide importers, suppliers of alternative technologies, research institutions/universities, public and private extension services and non-governmental organizations in project preparation and implementation and, where appropriate, to

- encourage the use of steering committees to coordinate project implementation;
- (ii) Bilateral and/or implementing agencies and NOUs to analyse in greater detail the long-term sustainability and economical viability of alternatives to methyl bromide during project preparation and implementation, taking into full consideration the equipment needed, its maintenance and servicing, and the operational costs, and to share the results of the analysis among major stakeholders associated with the project;
 - (iii) Bilateral and/or implementing agencies to assist the relevant government authorities, where possible and appropriate, to develop policy measures from the onset of project implementation, directed to eliminating methyl bromide use and to sustaining the alternative technologies on a permanent basis, and to provide specific information in that respect in regular progress reports;
 - (iv) Bilateral and/or implementing agencies and NOUs to implement the integrated pest management component of the project during the entire project cycle through interdisciplinary technical teams (which could include research and extension staff specializing in plant pathology, weed control, crop production and application of pesticides) with a view to reducing methyl bromide use and emissions, where technically and economically feasible, during the transitional period until total phase-out, as well as to enhance the overall effectiveness and sustainability of implementing the alternative technology;
 - (v) Bilateral and implementing agencies to continue submitting, for consideration by the Executive Committee, annual progress reports on the implementation of methyl bromide phase-out projects as mandated in the relevant agreements between the governments concerned and the Executive Committee, providing in all such reports information on results achieved so far, problems overcome and lessons learned and, where applicable, a plan of action for the subsequent tranche of a multi-year phase-out project;
- (c) To request UNEP and UNIDO to continue updating and maintaining the joint website on methyl bromide alternatives based on the experience gained in implementation of methyl bromide phase-out projects and, for this purpose, to request bilateral and/or the other implementing agencies to add to the website, through links or directly, their experiences in the implementation of their methyl bromide projects, including information on logistical, regulatory and technical barriers; and
- (d) To request relevant bilateral and/or implementing agencies to explore the feasibility of regional agreements between Article 5 countries facing similar issues regarding the phase-out of methyl bromide, for example for countries

producing melons in Central America, or cut flowers and/or tobacco crops in some African countries, in order to facilitate the phase-out of methyl bromide, standardize regulations and minimize the risk of illegal trade.

(Decision 46/5)

(b) Desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform

41. The Executive Committee considered the report on the desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and TCA (UNEP/OzL.Pro/ExCom/46/8 and Corr.1), which provided a synthesis of the desk study conducted by the Senior Monitoring and Evaluation Officer and two consultants who had analysed the documentation available. The desk study related to discussions of the Executive Committee at its 43rd Meeting with regard to the causes of implementation delays, and the concern that such delays might contribute to non-compliance in various countries. The analysis of lessons learned with respect to the freeze would be useful in preparing for the next reduction steps for several ODS in 2005 and for resolving compliance problems.

42. There was general appreciation of the analysis presented in the desk study and agreement that more analysis would be useful, including field visits. Such further analysis should focus on deepening the understanding of reasons for non-compliance and return to compliance and show the practical measures taken to move back to compliance. After discussing the best methodological approach, the Executive Committee decided:

- (a) To note with appreciation the desk study on non-compliance with the freeze in consumption of CFCs, halons, methyl bromide and methyl chloroform contained in documents UNEP/OzL.Pro/ExCom/46/8 and Corr.1;
- (b) To request the Senior Monitoring and Evaluation Officer to include countries in non-compliance in the sample of field visits planned for evaluations of refrigerant management plans in non-low-volume-consuming countries and of national and sectoral phase-out plans; and
- (c) To request the Senior Monitoring and Evaluation Officer to include a full analysis and follow-up study on cases of non-compliance, including field visits, in the monitoring and evaluation work programme for 2006.

(Decision 46/6)

(c) Amendment to the monitoring and evaluation work programme for the year 2005

43. The Senior Monitoring and Evaluation Officer presented document UNEP/OzL.Pro/ExCom/46/9, which contained two amendments to the monitoring and evaluation work programme for the year 2005.

44. In response to a request for clarification as to whether it would be possible to combine the evaluation of refrigerant management plans (RMPs) in non-low-volume-consuming countries with the evaluation of national phase-out plans (NPPs), the Senior Monitoring and Evaluation Officer agreed that it would be possible.

45. Having considered the addition of US \$80,000 to the budget to enable the preparation of country case studies for the evaluation of national and sectoral phase-out plans in the second half of 2005, and the reclassification of evaluation reports submitted to the Executive Committee, including those submitted in previous years, for general distribution, the Executive Committee decided:

- (a) To add US \$80,000 to the budget for the 2005 monitoring and evaluation work programme for the preparation of country case studies for the evaluation of national and sectoral phase-out plans in the second half of 2005, combined with the evaluation of refrigerant management plans in non-low-volume-consuming countries;
- (b) To request the Secretariat to clearly indicate on all pre-sessional documents that they were without prejudice to any decision that the Executive Committee might take; and
- (c) To reclassify evaluation reports submitted to the Executive Committee, including those submitted in past years, as documents for general distribution.

(Decision 46/7)

(d) Progress reports as at 31 December 2004:

(i) Consolidated progress report

46. The Executive Committee considered the 2004 consolidated progress report of the Multilateral Fund (UNEP/OzL.Pro/ExCom/46/10), which was presented by the Secretariat. The document summarized the progress made and provided financial information on the implementation of projects and activities supported by the Fund up to 31 December 2004.

47. After some general discussion concerning the slow rate of project completion, the slow delivery of projects, and the transfer of the halon banking project in Oman, a detailed discussion ensued on the definition of completion dates for annual tranches of multi-year agreements.

48. The representatives of the implementing agencies, supported by some representatives of Article 5 Parties, expressed the view that it was misleading to use the current modality to assess whether tranches of multi-year agreements were on time or late, as they should not be treated in the same way as individual projects as far as project implementation delays were concerned. Annual tranches of funding were often for activities that flowed from year to year, with funding disbursed as needed.

49. The representative of the Secretariat said that, in putting forward the recommendation that implementing agencies should be requested to specify completion dates for annual tranches, it was the Secretariat's intention to make reporting more accurate and to eliminate confusion. It was not intended, however, to have any impact on the release of annual funding tranches. He pointed out that, for example, five annual tranches for multi-year agreements reported by the implementing agencies as "completed", had zero disbursement, which would appear strange to any reader unacquainted with the background.

50. The representatives of UNDP and UNIDO indicated that the net emissions due to delays mentioned in the report included emissions related to annual tranches under multi-year agreements that might not reflect actual emissions. The representative of UNIDO referred specifically to the ODS phase-out and resulting ODS emissions indicated for Mexico (see paragraph 69).

51. Representatives noted that the indicator "emissions due to delays" might need to be revisited, as did the ODS phase-out and project completion indicators, as they had initially been designed for individual projects, not multi-year agreements. It was also felt that a further study should address how to account for progress in the implementation of projects with annual funding tranches. A discussion paper outlining new options for monitoring and assessing the progress of implementing agencies with regard to multi-year agreements would be prepared by the Secretariat in consultation with the agencies.

52. Following the discussion, the Executive Committee decided:

- (a) To note:
 - (i) The consolidated progress report of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/46/10;
 - (ii) The slow rate of project completion for the second consecutive year, with the following rates of achievement: UNDP (56 per cent), UNEP (46 per cent), UNIDO (68 per cent), and the World Bank (59 per cent);
 - (iii) That the rates of achievement for planned ODS phase-out were as follows: UNDP (87 per cent), UNIDO (44 per cent), and the World Bank (95 per cent);
- (b) To urge bilateral and implementing agencies and Article 5 countries to expedite project implementation;
- (c) To transfer the halon banking project in Oman (OMA/HAL/41/TAS/08) from the World Bank to UNIDO; and
- (d) To request the Secretariat, in collaboration with the bilateral and implementing agencies, to prepare for the 47th Meeting of the Executive Committee, a discussion paper outlining new options for monitoring and assessing the progress

of agencies with regard to multi-year agreements, with a view to reflecting more accurately the actual progress and phase-out achieved.

(Decision 46/8)

(ii) Bilateral cooperation

53. The Executive Committee considered the progress report on bilateral cooperation for the year 2004 (UNEP/OzL.Pro/ExCom/46/11), which was presented by the Secretariat.

54. In the ensuing discussion, it was noted that 13 governments had responded with information on activities implemented up to 31 December 2004 and that two bilateral agencies had not submitted a progress report. In response to the request for submission of data on recovery, recycling and reclamation from halon banking projects implemented by Germany, the representative of the United Kingdom, on behalf of Germany, gave a number of clarifications. The representative of the Secretariat indicated that, in some cases, his observations and understanding were not the same, but there was agreement that submission of the requested data would provide a clearer picture of the situation.

55. Following the discussion, the Executive Committee decided:

- (a) To note with appreciation the progress reports submitted by the Governments of Australia, Canada, the Czech Republic, Finland, France, Germany, Hungary, Italy, Japan, the Slovak Republic, Spain, Sweden and Switzerland;
- (b) To request the Governments of the United Kingdom and the United States of America to provide their progress reports to the 47th Meeting of the Executive Committee;
- (c) To request the Governments of France, Germany, Italy, Japan and Sweden to provide reports on projects with implementation delays to the 47th Meeting of the Executive Committee;
- (d) To monitor the following projects as projects with implementation delays and to note their slow progress:
 - (i) Halon banking project in India implemented by Australia (IND/HAL/32/TAS/281) and Canada (IND/HAL/32/TAS/278);
 - (ii) Regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, United Republic of Tanzania and Zimbabwe) (AFR/HAL/35/TAS/29) implemented by Germany;
 - (iii) Regional halon bank for West Asian countries: Bahrain, Lebanon, Qatar and Yemen (ASP/HAL/30/TAS/360) implemented by Germany;

- (iv) Halon banking project in Algeria (ALG/HAL/35/TAS/51) implemented by Germany;
 - (v) Halon banking project in Nigeria (NIR/HAL/37/TAS/103) implemented by Germany;
 - (vi) Halon banking project in the Syrian Arab Republic (SYR/HAL/34/TAS/77) implemented by Germany; and
- (e) To request Germany to submit data on recovery, recycling and reclamation from halon banking projects, as requested by the Fund Secretariat.

(Decision 46/9)

(iii) UNDP

56. The representative of UNDP presented UNDP's progress report on activities as at 31 December 2004 (UNEP/OzL.Pro/ExCom/46/12 and Corr.1). He suggested that, instead of calculating the volume of ODS phased out, as the Secretariat currently did, it would be preferable for the Secretariat's report to identify the cumulative amount of ODS use avoided since completion of the phase-out by multiplying the tonnage that had been phased out by the number of years since project completion. He felt that that would give a better idea of the scale of the success of the Protocol and a better indication of the cost-effectiveness of the implementing agencies' projects. There was, however, general consensus that there should be no change to the way in which the Committee calculated cost-effectiveness, although the implementing agencies were free to make their own calculations for their own purposes.

57. In response to UNDP's suggestion that the global-warming potential that had been avoided by the ODS-phase-out measures be recorded in publications produced by the Fund, some members pointed out that statistics were readily available, as were reports by the Intergovernmental Panel on Climate Change (IPCC) and the TEAP. Concern was expressed, however, that that particular issue did not fall within the mandate of the Montreal Protocol. One representative was surprised at the Committee's apparent lack of will to address synergies with other multilateral environmental agreements. He believed that, at the very least, the Secretariat should make the secondary benefits of the Protocol's successes known in its public communications. Another representative advocated caution in that respect, given that certain substances being used as ODS alternatives were considered to have global-warming potential.

58. Concerning the perceived stipulation in decision 38/38 that the market price of CFCs and non-ODS refrigerants had to be similar before the recovery and recycling component of RMPs could begin, members concluded that that was not in fact necessary. The adoption of legislation and the creation of licensing systems in implementation of the legislation were in fact the pre-requisites for the initiation of recovery and recycling. The Committee then agreed upon wording to explain its interpretation of the provisions contained in decision 38/38.

59. Following the discussion, the Executive Committee decided:

- (a) To note UNDP's progress report contained in documents UNEP/OzL.Pro/ExCom/46/12 and Corr.1;
- (b) To monitor the following projects as projects with implementation delays and to note their slow progress:
 - (i) Regional halon bank for West and Central African countries (Benin, Burkina Faso, Cameroon, Republic of Congo, Democratic Republic of the Congo and Guinea) (AFR/HAL/37/TAS/31);
 - (ii) Halon banking activity in Egypt (EGY/HAL/32/TAS/81);
 - (iii) Technical assistance for revision, preparation and introduction of national fire codes/standards for use of halon alternative technologies in India (IND/HAL/29/TAS/243);
 - (iv) Country programme update in Nigeria (NIR/SEV/36/CPG/102);
- (c) To note that UNDP would report to the 47th Meeting on a maximum of 25 projects with implementation delays, including six projects that had been so classified in 2004; and
- (d) With reference to Executive Committee decision 38/38, to clarify that the recovery and recycling component of refrigerant management plans could commence, provided that legislation to control CFC imports was in place and measures had been taken to facilitate cost incentives that enabled effective implementation of the project.

(Decision 46/10)

(iv) UNEP

60. The representative of UNEP presented UNEP's progress report on activities up to 31 December 2004 (UNEP/OzL.Pro/ExCom/46/13).

61. After some discussion on the possible request for additional status reports on projects with slow progress, and having considered the report on the project "Policy assistance for the design and implementation of an ODS import/export licensing system for Argentina" (ARG/SEV/30/TAS/104), as requested in decision 45/12 (e), the Executive Committee decided:

- (a) To note UNEP's progress report and its response to decision 45/7 (c) contained in document UNEP/OzL.Pro/ExCom/46/13;
- (b) To monitor the following projects as projects with implementation delays and to note their slow progress:
 - (i) Development of guidelines to promote safety in aerosol conversions (GLO/ARS/39/TAS/246);

- (ii) Training modules on management of ODS phase-out in small and medium enterprises (SMEs) (GLO/SEV/19/TAS/112);
 - (iii) Institutional strengthening in Grenada (GRN/SEV/30/INS/02 and GRN/SEV/44/INS/07);
 - (iv) Institutional strengthening in Paraguay (PAR/SEV/39/INS/13);
 - (v) RMP components in Paraguay (PAR/REF/32/TAS/06, PAR/REF/32/TAS/10 and PAR/REF/32/TRA/07);
 - (vi) Institutional strengthening in Rwanda (RWA/SEV/36/INS/03 and RWA/SEV/41/INS/05);
 - (vii) RMP components in Rwanda (RWA/REF/41/TAS/09, RWA/REF/41/TRA/06 and RWA/REF/41/TRA/07);
 - (viii) Institutional strengthening in Cape Verde (CBI/SEV/36/INS/02);
 - (ix) Monitoring of RMP activities in the Lao People's Democratic Republic (LAO/REF/34/TAS/07);
- (c) To note that UNEP had 20 projects classified with implementation delays, including five projects that had been so classified the previous year, and that a report on those projects should be submitted to the 47th Meeting; and
- (d) To note that UNEP had reported on the project "Policy assistance for the design and implementation of an ODS import/export licensing system for Argentina" (ARG/SEV/30/TAS/104), as requested in decision 45/12 (e), and that the reallocated funds would be used for a back-up system, integrating new modules into the system and technical support.

(Decision 46/11)

(v) UNIDO

62. The representative of UNIDO presented UNIDO's progress report on activities as at 31 December 2004 (UNEP/OzL.Pro/ExCom/46/14).

63. In addition to the matter concerning the ODS emissions for Mexico (see paragraph 69), one member noted that the project for The former Yugoslav Republic of Macedonia had been cancelled and that it should not have been included in the list of countries with notable net emissions due to delays.

64. Following the discussion, the Executive Committee decided to note:

- (a) UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/46/14; and

- (b) That UNIDO would report to the 47th Meeting of the Executive Committee on a maximum of 23 projects with implementation delays, including nine projects that had been so classified in 2004.

(Decision 46/12)

(vi) World Bank

65. The representative of the World Bank presented the World Bank's progress report on activities as at 31 December 2004 (UNEP/OzL.Pro/ExCom/46/15).

66. One member noted that the World Bank was preparing a report on global CTC production and asked for the report to be submitted to the 47th Meeting of the Executive Committee.

67. Following a discussion on the desirability of considering the report of the World Bank on global CTC production and the utility of asking the World Bank to make recommendations on that subject, the Executive Committee decided:

- (a) To note the World Bank's progress report contained in document UNEP/OzL.Pro/ExCom/46/15;
- (b) To note that the World Bank would report to the 47th Meeting of the Executive Committee on a total of 29 projects with implementation delays, including 20 projects that had been so classified in 2004;
- (c) To request the World Bank to present its study on global CTC production to the 47th Meeting of the Executive Committee, together with its recommendations;
- (d) To monitor the following projects by means of an additional status report to the 47th Meeting of the Executive Committee in the context of projects with implementation delays and to note their slow progress:
 - (i) Post-harvest disinfestation demonstration project in Argentina (ARG/FUM/29/DEM/93); and
 - (ii) Halon banking activity in Turkey (TUR/HAL/38/TAS/80).

(Decision 46/13)

- (e) **Evaluation of the implementation of the 2004 business plans and follow-up to decision 45/59 (c)**
- (f) **Qualitative performance indicators and feasibility and desirability of extending current performance indicators to bilateral implementing agencies (follow-up to decisions 44/6 and 45/59 (d) (ii))**

68. The Executive Committee considered the report on evaluation of the implementation of the 2004 business plans and follow-up to decision 45/59 (c) (UNEP/OzL.Pro/ExCom/46/16), which was presented by the representative of the Secretariat. He explained that 2004 was the first year in which the revised quantitative performance indicators adopted in decision 41/39 had been used. While all agencies had fully achieved between two and six of the nine indicators, the weighted indicators resulted in the achievement of 89 points for both UNDP and UNIDO, 78 points for the World Bank and 56 points for UNEP. UNEP, however, had essentially achieved all the indicators developed to assess its Compliance Assistance Programme (CAP) with the exception of data reporting. However the Secretariat indicated that reaching 96 per cent of the 100 per cent target for data reporting was perhaps the CAP's greatest achievement.

69. UNIDO's 2003 progress report did not address correctly the production phase-out impact in Mexico and if that had been corrected UNIDO would have achieved 92 per cent of ODS phase-out for 2004.

70. In addition, the document assessed the quantitative performance indicator weightings also adopted in decision 41/93. It explained that administrative indicators were helpful and deserved a significant weighting of 20 per cent, while approval and implementation indicators received equal weightings amounting to 40 per cent each. UNEP had also requested that those weightings be considered because of the difference in its operations compared with those implementing agencies that mostly carried out investment activities.

71. There was general agreement that the weightings used in 2004 might not have done justice to the good work being carried out by the implementing agencies. Several members proposed new weightings.

72. The Executive Committee then considered the document on qualitative performance indicators and the feasibility and desirability of extending current performance indicators to bilateral implementing agencies (UNEP/OzL.Pro/ExCom/46/17). The document included the results of consultations with NOUs at regional network meetings and minor modifications to the qualitative indicators proposed in decision 44/6.

73. There was general consensus that the issue needed to be reviewed in greater depth and returned to at a later meeting. Certain members, as representatives of donor governments acting as bilateral agencies, expressed their concern about being subject to evaluations. One member suggested that evaluations should be optional and at the discretion of the country receiving the bilateral support.

74. A discussion ensued on the choice of possible responses to be included in the questionnaire on qualitative performance indicators in the annex to the document under

consideration. As originally drafted, the questionnaire comprised three columns headed “not satisfactory”, “satisfactory”, and “highly satisfactory”, which gave rise to concern that NOUs might be tempted to give a “satisfactory” rating for each indicator. One member therefore suggested adding an extra column in an effort to give a wider choice and therefore obtain more meaningful results.

75. Following the discussion, the Executive Committee decided:

- (a) To note the evaluation of the implementing agencies’ performance against their 2004 business plans contained in document UNEP/OzL.Pro/ExCom/46/16 and to take note of document UNEP/OzL.Pro/ExCom/46/17 on qualitative performance indicators and the feasibility and desirability of extending current performance indicators to bilateral agencies;
- (b) To amend the questionnaire on qualitative performance indicators, attached as Annex II to the present report, by inserting an additional column and giving National Ozone Units the choice of awarding a rating of 1 to 4 (with 1 being the lowest mark and 4 being the highest);
- (c) To invite Executive Committee members to submit to the Secretariat, by 30 September 2005, their views and comments on the current performance indicators, including suggestions for modifying the quantitative performance indicator weightings and also propose amendments to the qualitative performance indicators as input for the discussion paper on the progress of implementing agencies with regard to multi-year agreements (decision 46/8) for consideration at the 47th Meeting, and to permit consideration of whether to make them applicable to bilateral agencies.

(Decision 46/14)

(g) Project implementation delays and follow-up to decision 45/59 (e)

76. The Executive Committee considered the report on project implementation delays and the follow-up to decision 45/59 (e) (UNEP/OzL.Pro/ExCom/46/18), which was introduced by the representative of the Secretariat.

77. The representative of the Secretariat said that the document contained data submitted by the implementing agencies suggesting how to avoid implementation delays. The agencies believed that, although the action being taken to avoid delays should continue, many of the problems associated with the delays could be resolved either during project preparation or through liaison with the countries and beneficiaries concerned. He said that, according to the reports of the implementing and bilateral agencies, 17 out of 58 projects listed as having implementation delays had been completed. He also advised that no progress had been reported for three projects covering Argentina, Morocco, and the Syrian Arab Republic.

78. In the context of the World Bank’s presentation of its progress report, the representative of the Bank indicated that project preparation for the aerosol sector in Argentina

(ARG/ARS/39/PRP/135) should be cancelled by mutual agreement as the aerosol sector was covered by the NPP.

79. The representative of the United Kingdom informed the Meeting that France and the Syrian Arab Republic would submit an action plan for the project on CFC emission reduction in central air conditioning in the Syrian Arab Republic (SYR/REF/29/INV/56) to the 47th Meeting of the Executive Committee.

80. The representative of UNDP explained that while the Ben Ghazi foam project in Libyan Arab Jamahiriya (LIB/FOA/32/INV/08) had met its milestone, the Sebha foam project (LIB/FOA/32/INV/05) had been unable to meet the milestone of the issuance of a purchase order by 31 May 2005.

81. The representative of the Secretariat said that the automatic cancellation of the project for the phase-out of CFC-11 at Sebha might have an impact on compliance as the Libyan Arab Jamahiriya had time-specific benchmarks under the action plan for returning to compliance approved by the Fifteenth Meeting of the Parties in decision XV/36. He indicated that the rules for automatic cancellation required that, for countries at risk of non-compliance, prior to such cancellation the Executive Committee had to consider the implications of the cancellation on the country's compliance.

82. Having considered the information from UNDP on the Sebha foam and Ben Ghazi foam projects in the Libyan Arab Jamahiriya and from the United Kingdom on milestones and deadlines for the CFC emission reduction project in the Syrian Arab Republic, as well as the issue of how to prevent project implementation delays, the Executive Committee decided:

- (a) To note with appreciation the reports submitted to the Secretariat on projects with implementation delays by France, Germany and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/46/18);
- (b) To note that the Secretariat and the 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;
- (c) To note the completion of 17 of the 58 projects listed with implementation delays;

- (d) To adopt the milestones and deadlines indicated in the following table:

Agency	Code	Project Title	Milestones and Deadlines
France	SYR/REF/29/INV/56	CFC emission reduction in central air conditioning in the Syrian Arab Republic	France and the Syrian Arab Republic to submit an action plan to the 47 th Meeting of the Executive Committee
IBRD	PAK/FOA/29/INV/34	Conversion from CFC-11 to water-based technology in the manufacture of rigid polyurethane shoe soles at Jaguar Industries in Pakistan	Equipment installation by July 2005.
UNIDO	IRA/FOA/28/INV/50	Phasing out ODS in the manufacture of flexible PU slabstock foam through the use of liquid CO ₂ blowing technology at Bahman Plastic Co. in the Islamic Republic of Iran	National Ozone Unit will provide a decision on how the Government will proceed by the beginning of August 2005.

- (e) To note that letters of possible cancellation should be sent for the following project:

Agency	Code	Project Title
France	MOR/FUM/29/INV/37	Phase-out of methyl bromide use in cut flower and banana production in Morocco

- (f) To note that the milestone for the project on the phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Ben Ghazi in Libyan Arab Jamahiriya (LIB/FOA/32/INV/08) had been met;
- (g) To note the automatic cancellation of the project on the phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Sebha in Libyan Arab Jamahiriya (LIB/FOA/32/INV/05), that the cancellation of the project might have an impact on compliance, and that 17 ODP tonnes had been assigned as phase-out pursuant to decision 39/13 (b);
- (h) To cancel the country programme update in Argentina (ARG/SEV/39/CPG/134) by mutual agreement;
- (i) To cancel the aerosol project preparation in Argentina (ARG/ARS/39/PRP/135) by mutual agreement as the activities had been covered in the approved national phase-out plan; and

- (j) To take note of the report on how to avoid project implementation delays, and to encourage bilateral and implementing agencies to take the findings into account in future project design and implementation.

(Decision 46/15)

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

83. The representative of the Secretariat drew the Executive Committee's attention to document UNEP/OzL.Pro/ExCom/46/19, which contained a report on the change in technology provider for the project to phase out CFC consumption in metered-dose inhalers (MDIs) in Cuba; a progress report on the redeployment of the equipment purchased for the phase-out of CFCs in the manufacture of an aerosol plant in The former Yugoslav Republic of Macedonia as a follow-up to decision 45/12 (i); a request for a change to the phase-out schedule of the project for phasing out methyl bromide in horticulture and cut flowers in Uruguay; a progress report on the implementation of the technical assistance for methyl bromide reductions and the formulation of regional phase-out strategies for low-volume-consuming countries (LVCs) in Africa; and a status report on the disbursement of the second tranches of the national CFC phase-out plans in Mexico and Venezuela that had been approved in decisions 45/51 and 45/52.

84. At the invitation of the Chair, the Executive Secretary of the Ozone Secretariat said that the Implementation Committee had noted with concern that, while Uruguay's reported methyl bromide consumption for 2004 was consistent with the Montreal Protocol's freeze, it was inconsistent with its consumption commitments contained in decision XV/44 and represented an increase in consumption relative to 2003. The Implementation Committee had noted with appreciation, however, Uruguay's prompt submission of an explanation and description of the measures it was undertaking to redress the situation. The Implementation Committee had requested Uruguay to submit to the Ozone Secretariat a revised plan of action to replace the plan of action contained in decision XV/44, in order that it might be considered by the 35th Meeting of the Implementation Committee, which would be held prior to the Seventeenth Meeting of the Parties.

85. Following a discussion on the request for a revision to the phase-out schedule of the methyl bromide project in Uruguay, in light of decision XV/44, and on the technical assistance programme for methyl bromide reductions in Africa, the Executive Committee decided:

- (a) In regard to the project to phase out CFCs used for the production of metered-dose inhalers in Cuba:
 - (i) To note the change of technology provider;
 - (ii) To note also that the new completion date of the project was March 2008; and

- (iii) To commend the efforts of the Government of Cuba and UNDP in securing an alternative provider for the development of the non-CFC technology;
- (b) In regard to the project for the phase-out of methyl bromide in horticulture and cut flowers in Uruguay:
 - (i) To note the report containing the request to change the phase-out schedule;
 - (ii) To approve the revised implementation schedule for the agreement between the Government of Uruguay and the Executive Committee contained in Annex III to the present report, on the understanding that the approval was subject to a possible decision by the Seventeenth Meeting of the Parties that would be consistent with the timetable in Annex III to the present report, and to note that approval of the revision was without prejudice to the Montreal Protocol's mechanism for addressing non-compliance; and
 - (iii) To note that, before the end of 2010, the Government of Uruguay and UNIDO would submit a full report on the implementation of the phase-out plan and that, at that time, Uruguay would consider the possibility of completing the phase-out of methyl bromide earlier than 2013;
- (c) In regard to the technical assistance programme for methyl bromide reduction and the formulation of regional phase-out strategies for low-volume-consuming countries in Africa:
 - (i) To note the progress report on the implementation of the technical assistance programme;
 - (ii) To request UNDP to make every effort to achieve all the objectives proposed in the programme on time, and to submit a report to the 48th Meeting on progress achieved so far; and
 - (iii) Also to request UNDP to report to the 47th Meeting on whether any of the countries covered by the technical assistance programme would be likely to be in non-compliance with their Protocol obligations.

(Decision 46/16)

AGENDA ITEM 7: PROJECT PROPOSALS**(a) Overview of issues identified during project review**

86. The representative of the Secretariat introduced the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/46/20 and Corr.1) and explained that it presented the statistics on submissions received, the list of all projects and activities recommended for blanket approval and the list of projects for individual consideration. There was one policy issue arising from project review concerning:

Terminal phase-out management plans (TPMPs) for low-volume-consuming (LVC) countries: progress reports on implementation of approved recovery and recycling programmes

87. The representative of the Secretariat drew attention to paragraphs 5 to 7 of the overview paper. He indicated that two requests for funding to prepare TPMPs for LVCs had been submitted to the 46th Meeting by UNIDO, for Oman and Qatar. When submitted, those two projects, as well other TPMP submissions, would need to be accompanied by progress reports on the implementation of approved recovery and recycling programmes as per decision 45/54. He commented on the good quality and usefulness of the reports currently prepared and presented by implementing agencies when they made requests for funding to prepare RMP updates and suggested that it would be useful if the reports called for in decision 45/54 also captured the same information.

88. Following a discussion, the Executive Committee decided to request bilateral and implementing agencies preparing reports under decision 45/54 to prepare the reports in a format similar to the reports currently prepared under decision 31/48 for refrigerant management plan (RMP) updates and to provide a similar comprehensive overview of the implementation of the RMP.

(Decision 46/17)

List of projects and activities for blanket approval

89. The representative of the Secretariat drew attention to the list of projects and activities for blanket approval presented in Annex I to document UNEP/OzL.Pro/ExCom/46/20/Corr.1.

90. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the level of funding indicated in Annex IV to the present report, with the conditions or provisos included in the corresponding project evaluation sheets and also those conditions attached to projects by the Executive Committee. For projects relating to the renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex V to the present report; and

- (b) To request the Secretariat to include, in the narrative of relevant project documents for future meetings, brief descriptions of the technical assistance and other non-investment projects recommended for blanket approval.

(Decision 46/18)

(b) Bilateral cooperation

91. The Executive Committee had before it four requests for bilateral cooperation submitted by the Governments of France, Italy, Spain and Sweden (UNEP/OzL.Pro/ExCom/46/21). Three of the activities were recommended for blanket approval and had been considered under agenda item 7(a). The remaining project, from the Government of Spain and UNIDO, for total phase-out of methyl bromide used in tobacco, flowers, ornamental plants, strawberries and other uses in Brazil would be considered under agenda item 7(d) Investment projects (see decision 46/30).

92. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 46th Meeting as follows:

- (a) US \$177,695 against the balance of France's bilateral contribution for 2005;
- (b) US \$4,470,000 against the balance of Italy's bilateral contribution for 2005;
- (c) US \$655,841 against the balance of Spain's bilateral contribution for 2005; and
- (d) US \$23,113 against the balance of Sweden's bilateral contribution for 2005.

(Decision 46/19)

(c) Amendments to work programmes for 2005:

(i) UNEP

93. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/46/22 and Corr.1 containing UNEP's 2005 work programme amendments. Ten activities were submitted by UNEP, including eight requests for new or renewed institutional strengthening projects. Six of the activities were recommended for blanket approval and had been considered under agenda item 7(a). The Executive Committee considered the remaining four institutional strengthening proposals, as indicated below:

New institutional strengthening projects

Afghanistan: Extension of institutional strengthening project, start-up

94. The representative of the Secretariat indicated that Afghanistan had requested an additional US \$20,000 in start-up costs for institutional strengthening on an exceptional basis, pending completion of country programme preparation. At the 43rd Meeting, US \$40,000 had

been approved for institutional strengthening start-up costs together with US \$60,000 for preparation of a country programme/RMP. However, due to the challenges of operating in the country, there had been some delays. The additional funds would enable the NOU to continue operating for another six months while the country programme was being completed. One representative suggested that it would be preferable for the funding to be provided as an advance on funding for phase I of the institutional strengthening project.

95. Following a discussion, the Executive Committee decided to approve, on an exceptional basis, an advance on funding for phase I of the institutional strengthening project in Afghanistan, at the level of funding indicated in Annex IV to the present report.

(Decision 46/20)

Turkmenistan: Institutional strengthening project, phase I

96. The representative of the Secretariat stated that Turkmenistan was a newly re-classified Article 5 country that had previously received funding for CFC phase-out through the Global Environment Facility (GEF). The Executive Committee was advised of decisions taken by the Meeting of the Parties on Turkmenistan, and that although CFC consumption as reported to the Fund Secretariat had decreased significantly from 1990 to 2002, it had increased to 77.5 ODP tonnes in 2003. The CFC baseline for consumption was 37.3 ODP tonnes. Since 1996, the only ODS consumed in the country, other than HCFCs, had been CFC-12. The country was now requesting support for institutional strengthening at the amount of US \$115,693 for a period of three years.

97. Following a discussion, the Executive Committee decided:

- (a) To approve the institutional strengthening project for Turkmenistan at the level of funding indicated in Annex IV to the present report for a three-year period, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) To take note of the progress report on the implementation of the country programme/refrigerant management plan for Turkmenistan and that Turkmenistan had received funding of US \$399,220 from the Global Environment Facility (GEF) for complete phase-out of its ODS consumption; and
- (c) Not to provide assistance from the Multilateral Fund in the future for ODS phase-out activities in Turkmenistan other than for institutional strengthening.

(Decision 46/21)

Renewal of institutional strengthening projects

Albania: Extension of institutional strengthening project, phase I (year 3)

98. The representative of the Secretariat advised that Albania had requested funding for the third year of phase I of its institutional strengthening project. Albania had now reported data confirming that its CFC consumption was within the limits of its approved action plan. The representative of UNEP indicated that UNEP had been advised by Albania that ODS legislation, including a licensing and quota system, had been adopted by Albania's Council of Ministers.

99. Following a discussion, the Executive Committee decided:

- (a) To approve funding for the third and final year of phase I of the institutional strengthening project for Albania at the level of funding indicated in Annex IV to the present report without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance; and
- (b) To urge Albania to implement its licensing and quota system with the utmost urgency.

(Decision 46/22)

Barbados: Extension of institutional strengthening project, phase III (year 2)

100. The representative of the Secretariat said that Barbados had requested funding for the second year of phase III of its institutional strengthening project. Barbados was now in compliance with methyl bromide consumption requirements. However, decision XVI/32 of the Parties remained in effect for Barbados. Although the country had ratified the Montreal Amendment, it had been found to be in non-compliance with the requirement to establish a licensing system.

101. Following a discussion, the Executive Committee decided to approve the second year of phase III of the institutional strengthening project for Barbados at the level of funding indicated in Annex IV to the present report, without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.

(Decision 46/23)

Belize: Extension of institutional strengthening project, phase III

102. The representative of the Secretariat indicated that Belize was requesting funding for phase III of its institutional strengthening project. Under the action plan for Belize, approved by the Parties in decision XIV/43, it was required to limit its CFC consumption in 2004 to 20 ODP tonnes. Belize had reported country programme and Article 7 data indicating that its CFC consumption in 2004 was 12.2 ODP tonnes, which met the requirements of its approved action plan.

103. Following a discussion, the Executive Committee decided:

- (a) To approve funding for phase III of the institutional strengthening project for Belize at the level of funding indicated in Annex IV to the present report; and
- (b) To express to the Government of Belize its views contained in Annex V to the present report.

(Decision 46/24)

(ii) UNDP

104. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/46/23 containing UNDP's 2005 work programme amendment. A project for renewal of institutional strengthening in Argentina was recommended for blanket approval and had been considered under agenda item 7(a). There were no other issues for consideration.

(iii) UNIDO

105. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/46/24 and Corrs.1 and 2 containing UNIDO's 2005 work programme amendments. Fifteen activities had been submitted for funding, including one request for renewal of an institutional strengthening project. Five activities had been recommended for blanket approval and had been considered under agenda item 7(a). The Executive Committee considered the remaining two project preparation activities and eight proposals for HCFC surveys, as indicated below.

Algeria: Preparation of a national ODS phase-out plan (including CTC/TCA)

106. The representative of the Secretariat advised that UNIDO had requested project preparation funding for a national ODS phase-out plan for Algeria. Funding for preparation of a TPMP, excluding the refrigeration sector, had been approved as bilateral cooperation for Germany at the 37th Meeting. An arrangement for cooperation between Germany and UNIDO had now been concluded under which UNIDO would undertake activities related to residual consumption not proposed to be covered under the TPMP being prepared by Germany.

107. Following a discussion, the Executive Committee decided to approve the project preparation funding for a project to address residual consumption in Algeria, in conjunction with the terminal phase-out management plan being prepared by Germany, at the level of funding indicated in Annex IV to the present report.

(Decision 46/25)

Saudi Arabia: Preparation of a terminal phase-out management plan (TPMP)

108. The representative of the Secretariat said that Saudi Arabia had requested support for preparation of a TPMP by UNIDO. Subsequent to the 24th and 29th Meetings respectively, the Executive Committee had urged Saudi Arabia not to seek funding from the Multilateral Fund and

reminded it of decision VI/5 (e) adopted by the Parties at their Sixth Meeting. UNIDO advised that Saudi Arabia's CFC consumption showed that the country might have difficulties in meeting the 2005 CFC control measures. The phase-out plan would focus on eliminating consumption in the refrigeration-servicing sector, harmonizing policies and legislation and addressing small- and medium-sized enterprises in the country.

109. Saudi Arabia's request and the historical record of its classification under the Montreal Protocol were reviewed in an informal group. The representative of the Syrian Arab Republic reported that although Saudi Arabia, as a Party operating under Article 5 of the Protocol, was eligible to receive assistance from the Multilateral Fund, the informal group concluded that there was limited information and insufficient data available at present on the level of funding sought and type of assistance required by Saudi Arabia.

110. Accordingly, the Executive Committee decided:

- (a) To defer consideration of funding for the preparation of a country programme/terminal phase-out management plan for the refrigeration-servicing sector in Saudi Arabia until the 48th Meeting of the Executive Committee; and
- (b) To request UNIDO and UNEP to provide a preliminary analysis of the nature and cost of the assistance proposed to enable Saudi Arabia to continue its efforts to phase out ODS and fulfil its obligations under the Montreal Protocol.

(Decision 46/26)

Algeria, Croatia, Egypt, the Libyan Arab Jamahiriya, Niger, Nigeria, Romania and Sudan: Funding requests to carry out HCFC surveys

111. The Chair explained that UNIDO had requested funding to conduct HCFC surveys in eight countries, indicating that its request followed the approval of funding for UNDP at the 45th Meeting to conduct similar surveys in 12 other countries. HCFC surveys, however, had not been included in UNIDO's endorsed 2005 business plan and there were no compliance issues associated with HCFC surveys that might otherwise provide a basis for exceptional treatment. The Secretariat had recommended deferral and inclusion in UNIDO's 2006 draft business plan.

112. Some members believed that it was important to gather more information about HCFCs as soon as possible in order to be able to assist countries in planning their future phase-out of the substances. Others, however, stressed that the phase-out baseline date was not until 2015 and the first reduction target not until 2016, and it was not certain that the results of any survey conducted at the present time would still be relevant in 10 years' time. Furthermore, they believed that the Committee should await the results of similar surveys, such as the one conducted in China, before deciding whether further HCFC surveys would be useful or needed. If, however, countries operating under Article 5 were proposing to accelerate their HCFC phase-out, then the Committee could consider assisting them in doing so.

113. Following a discussion, the Executive Committee decided to defer the eight proposed HCFC surveys for re-submission as part of UNIDO's draft 2006 business plan.

(Decision 46/27)

(iv) World Bank

114. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/46/25 containing amendments to the World Bank's 2005 work programme. Three activities, one project preparation request and two institutional strengthening renewals had been submitted. All three activities had been recommended for blanket approval and had been considered under agenda item 7(a). There were therefore no other issues for consideration.

(d) Investment projects

115. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/46/20, containing five projects for individual consideration, which were considered separately, as indicated below:

Albania: National ODS phase-out plan (2nd tranche) (UNIDO and UNEP)
(UNEP/OzL.Pro/ExCom/46/26)

116. The representative of the Secretariat advised that the national ODS phase-out plan for Albania had been approved in principle at the 39th Meeting of the Executive Committee in April 2003 at a total cost of US \$653,125 plus US \$55,480 in support costs. On behalf of the Government of Albania, UNIDO had submitted a request for US \$172,322 for the second tranche of the national ODS phase-out plan. Reports on the implementation of the first tranche and verification of consumption levels had been provided. The Secretariat pointed out that key activities foreseen for 2003, in particular the establishment of legislation, import quotas and a licensing system had not been completed at the time of preparation of document UNEP/OzL.Pro/ExCom/46/26, and the majority of the actual phase-out activities planned in the first tranche had not been implemented. Nonetheless, the verification report indicated that the consumption limits in the agreement had been met. He also advised that Albania was a relative newcomer to the Montreal Protocol and had experienced political and economic difficulties which had caused delays. As part of the discussion regarding the institutional strengthening project for Albania under agenda item 7(c) above, UNEP had indicated that it had been advised by Albania that ODS legislation, including a licensing and quota system, had been adopted by the country's Council of Ministers.

117. Following a discussion, the Executive Committee decided:

- (a) To endorse the 2005 annual implementation programme of the national ODS phase-out plan for Albania, on the understanding that the licensing and quota system would be implemented with the utmost urgency in accordance with decision 46/22; and

- (b) To approve the requested tranche at the amount of US \$172,322, plus agency support costs of US \$12,924 for UNIDO, on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.

(Decision 46/28)

Argentina: Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds (fifth tranche) (UNDP) (UNEP/OzL.Pro/ExCom/46/27)

118. The representative of the Secretariat reported that the Government of Argentina had submitted the 2004 progress report on the implementation of the project for the phase-out of all remaining soil uses of methyl bromide in tobacco and non-protected vegetable seedbeds. The submission included the 2005 annual implementation plan, with a request for funding of the fifth tranche of the project at a cost of US \$467,000 plus US \$35,025 in agency support costs. Thus far, the total aggregated amount of methyl bromide phased out since the approval of the project (97 ODP tonnes) was 31 ODP tonnes more than the amount committed to in the agreement (66 ODP tonnes). The main issue was that the purchase of a vehicle as proposed in the 2005 annual implementation plan was not normally considered an eligible incremental cost.

119. Following a discussion, the Executive Committee decided to approve the fifth tranche of the methyl bromide phase-out project in tobacco and non-protected vegetable seedbeds in Argentina at the amount of US \$467,000 plus agency support costs of US \$35,025 for UNDP, on the understanding that future progress reports and the project completion report would advise on the final disposal of the vehicle.

(Decision 46/29)

Brazil: Total phase-out of methyl bromide used in tobacco, flowers, ornamental plants, strawberries and other uses (Spain, UNIDO) (UNEP/OzL.Pro/ExCom/46/28)

120. The representative of the Secretariat advised that the Government of Brazil had submitted for the consideration of the Executive Committee a project proposal to phase out 218.6 ODP tonnes of methyl bromide used as a soil fumigant in the production of tobacco, flowers, ornamental plants and strawberries by the end of 2006. That represented the total consumption of controlled uses of methyl bromide in Brazil. The amount included 79.2 ODP tonnes used in the tobacco sector, which would be phased out without funding from the Multilateral Fund before the end of 2006. The total funding was being requested in one tranche as the project duration was only two years. All policy issues had been resolved, and the incremental costs of the project had been agreed. The project was being submitted for individual consideration consistent with the practice for all methyl bromide projects.

121. Following a discussion, the Executive Committee decided to approve the project for the total phase-out of methyl bromide used in tobacco, flowers, ornamental plants, strawberries and other uses at the level of funding indicated in the table below, in accordance with the Agreement between the Government of Brazil and the Executive Committee contained in Annex VI to the

present report, and on the understanding that no more funding would be provided from the Multilateral Fund for the phase-out of controlled uses of methyl bromide in Brazil.

	Project Title	Project funding (US \$)	Support cost (US \$)	Implementing agency
(a)	Total phase-out of methyl bromide used in flowers, ornamental plants, strawberries and other uses	1,450,251	108,769	UNIDO
(b)	Total phase-out of methyl bromide used in flowers, ornamental plants, strawberries and other uses	580,390	75,451	Spain

(Decision 46/30)

Egypt: National CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/46/32 and Add.1)

122. The representative of the Secretariat reported that the Government of Egypt, through UNIDO, had submitted for the consideration of the Executive Committee a national CFC phase-out plan. The implementation of the plan would lead to the phase-out of the remaining consumption of Annex A, Group I substances (CFCs), except for consumption in the MDI sector. Total CFC consumption reported under Article 7 for 2004 had been 1,047.6 ODP tonnes, with consumption in the MDI sector amounting to 154 ODP tonnes. The phase-out strategy in the MDI sector would be developed and submitted to the Executive Committee at a later stage. The agreed cost of the plan was US \$3,100,000 (excluding agency support costs).

123. One representative considered that it was regrettable that HCFC technology was proposed in the project. In response to a question, the representative of the Secretariat clarified that, consistent with the Executive Committee's requirements, a letter had been received from the Government of Egypt stating that HCFCs needed to be used for an interim period and confirming that no funding would be sought for future conversion from HCFCs for the companies concerned.

124. Following a discussion, the Executive Committee decided:

- (a) To approve in principle the CFC phase-out plan for Egypt at a total level of funding of US \$3,100,000 plus agency support costs of US \$232,500 for UNIDO;
- (b) To approve the draft agreement between the Government of Egypt and the Executive Committee contained in Annex VII to the present report; and
- (c) To approve the funding for the first tranche of the phase-out plan at the amount of US \$1,000,000, plus support costs of US \$75,000 for UNIDO.

(Decision 46/31)

Nigeria: Terminal ODS phase-out umbrella project in the solvent sector (2nd tranche)
(UNIDO) (UNEP/OzL.Pro/ExCom/46/34 and Add.1)

125. The representative of the Secretariat stated that, on behalf of the Government of Nigeria, UNIDO had submitted to the 46th Meeting a report on the activities undertaken since approval of the terminal ODS phase-out project in the solvent sector for Nigeria, together with an annual implementation plan and a request for funding of the second tranche. The Secretariat noted that under decision 43/31 UNIDO was responsible for providing verification that the TCA and CTC consumption limits in the project phase-out schedule had been met. Decision 43/31 also stipulated that funding requests for tranches subsequent to the initial approval would be submitted to the last meeting of the year. A verification report had only been received by the Secretariat on 22 June 2005, and had not yet been fully reviewed. A preliminary examination, however, had indicated that certain clarifications would be required. The Secretariat also indicated that UNIDO had provided additional information concerning Nigeria's 2005 CTC compliance obligations, explaining why the project had been submitted to the present Meeting. UNIDO had also expressed the view that the project was being implemented successfully, advising that the approved project funds were almost fully spent, and it was important to maintain momentum if Nigeria was to comply with the 2005 control measures for CTC and TCA.

126. Following a discussion, the Executive Committee decided:

- (a) To endorse the annual implementation plan of the terminal phase-out umbrella project in the solvent sector in Nigeria;
- (b) To approve the second tranche of funding at a cost of US \$317,000 plus agency support costs of US \$23,775, on the condition that disbursement of the funding should not commence until agreement between the Secretariat and UNIDO had been reached that the specified 2004 consumption limits had been verified; and
- (c) To request UNIDO to follow the requirements of decision 43/31 in submitting requests for subsequent tranches of the project.

(Decision 46/32)

AGENDA ITEM 8: STUDY ON CRITERIA AND MODALITIES FOR CHILLER DEMONSTRATION PROJECTS (DECISIONS 45/4 (D) AND 45/60)

127. The representative of the Secretariat presented a study on criteria and modalities for chiller demonstration projects contained in document UNEP/OzL.Pro/ExCom/46/37, which had been prepared pursuant to decision XVI/13 of the Sixteenth Meeting of the Parties and decision 45/4 (d) of the 45th Meeting of the Executive Committee. He said that the study provided a basis for the preparation of demonstration projects for submission to the 47th Meeting of the Executive Committee, which would be funded from the funding window of US \$15.2 million approved at the 45th Meeting.

128. The study had included sections on technical and sub-sectoral characteristics of chillers, the existing policies and experience of the Multilateral Fund in the centrifugal chiller sub-sector, experience gained from projects, as well as the incentives and barriers identified for the replacement of centrifugal chillers in Article 5 countries. The study also included an analytical section that explained the basis for the Secretariat's recommendations and described the outcome of an inter-agency meeting on the criteria and modalities for investment projects, as well as the non-investment component, which would involve a contribution from UNEP. A mathematical model for establishing funding levels for individual chillers, as developed by the World Bank, had been accepted by the implementing agencies and the Secretariat, and UNDP and UNIDO were still awaiting the spreadsheet containing the cost calculations. The level of funding had also been agreed between the Secretariat and implementing agencies for both project preparation and an additional workshop, to be organized by the World Bank, to address co-funding.

129. The ensuing discussion raised general issues, including the following: the need to ensure a regional balance of projects; the need to ensure that information was provided on chiller demonstrations at both the global and regional levels; the need to focus on centrifugal chillers; the need to encourage replacement of chillers with non-ODS technologies; the maximum amount of funding for any particular country because of eligibility issues; and the amount of the funding that ought to be awarded as a loan or as a grant.

130. One representative also stressed that the proposed funding for the chiller demonstration projects would be approved on the understanding that the Executive Committee would not award any further funding for chiller replacement, even with regard to the language in (b) (ii) 4. of the decision 46/33 on regional projects as below. Another representative pointed out that the issue could still be revisited and revised by the Meeting of the Parties.

131. The representative of UNDP, supported by members of the Committee, suggested that the Secretariat be invited to inform the Secretariat of the GEF of any decision taken, in particular as it related to the invitation to the different agencies to submit co-funded projects to the 47th Meeting of the Executive Committee.

132. Following the discussion, the Executive Committee established a contact group with the representative of Belgium as convener. Based on the report of the convener, the Executive Committee decided:

- (a) To note with appreciation the study on criteria and modalities for chiller demonstration projects, contained in document UNEP/OzL.Pro/ExCom/46/37;
- (b) To utilize the funding window of US \$15.2 million for additional demonstration projects in the chiller sub-sector, with an understanding that no further funding for chiller replacement would be approved by the Executive Committee, as follows:
 - (i) To request UNDP, UNIDO and the World Bank, as well as interested bilateral agencies, to submit to the 47th Meeting of the Executive Committee project proposals that could be replicated in other countries to demonstrate the feasibility of and modalities for replacing centrifugal chillers in the future through use of resources external to the Multilateral

Fund. To the extent that funds from the Multilateral Fund would be able to initiate an activity that leveraged other sources of long-term sustainable financing, the scope of the project might be expanded to address all types of chillers. The agencies were encouraged to submit such projects on a regional basis to allow as many countries as possible to be included;

(ii) To agree the following conditions for such investment demonstration projects that:

1. The relevant countries should have enacted and were enforcing legislation to phase out ODS;
2. The project is intended to use financial resources outside the Multilateral Fund, such as national programmes, Global Environment Facility (GEF) funding or other sources. Accordingly, the credibility of those financial resources should be indicated when the project is submitted for approval under the Multilateral Fund. Such financial resources should be secured before disbursement of funds approved under the Multilateral Fund commences;
3. The total funding per investment will be determined using an accessible mathematical and/or business model, taking into account relevant decisions of the Executive Committee;
4. The maximum Multilateral Fund grant for a particular country is US \$1,000,000; for regional projects, approval of additional funding on a revolving fund basis could be decided on a case-by-case basis; and
5. The project proposal includes a general strategy for managing the entire CFC chiller sub-sector including the cost-effective use and/or disposal of CFCs recovered from chillers in the countries concerned;

(iii) To request the Secretariat, in order to ensure a coordinated process, to hold coordination meetings with all agencies to evaluate and, if necessary, prioritize demonstration project proposals for subsequent decision by the Executive Committee using the following criteria:

1. Fulfilment of the requirements under sub-paragraph (b) (ii) above;
2. Cost justification;
3. Interlinkage with the existing phase-out plan (where relevant);

4. Regional balance of projects according to the main regions: East Asia and South Asia, West Asia and Central Asia and Eastern Europe, Africa, as well as Latin America and the Caribbean;
 5. The total funding per chiller, taking into account relevant national and local conditions, could be determined by an accessible mathematical and business model and the annual return on investment;
 6. CFC consumption for the servicing of chillers as a share of total 2004 CFC consumption in the country; and
 7. The level and source of probable financial resources outside the Multilateral Fund to be utilized for the project;
- (iv) To request UNEP to submit a project proposal regarding implementation of relevant information, dissemination and awareness activities at a global level with the objective of disseminating the experience gained in the demonstration projects globally. At the same time, the project preparation funding should be used to make information rapidly available to CAP teams for distribution at network meetings;
- (v) To approve the following funding for project preparation, including participation in coordination meetings with the Secretariat and, where relevant, development of suitable methodologies for the preparation of projects referred to in sub-paragraph (i) above:
1. UNDP: US \$122,000, plus agency support costs of US \$9,150;
 2. UNEP: US \$40,000, plus agency support costs of US \$5,200;
 3. UNIDO: US \$119,000, plus agency support costs of US \$8,925;
 4. World Bank: US \$155,000, plus agency support costs of US \$11,625, and an additional US \$40,000, plus agency support costs of US \$3,000, to undertake the organization of a workshop in September 2005 for important stakeholders in order to facilitate compatibility of related project proposals from all agencies with stakeholders expectations, in particular relating to potential co-funding entities. Participation in the workshop would include all implementing agencies, representatives of potential national and multilateral co-funding institutions for chiller projects, manufacturers of equipment, as well as other stakeholders and experts;
- (vi) To request the Secretariat to report to the 47th Meeting of the Executive

Committee on the experiences gained during project preparation and any need for changes in or amendments to the criteria and modalities proposed above; and

- (vii) That resources remaining unspent after approval of the proposals submitted to the 47th Meeting of the Executive Committee should remain as uncommitted obligations from the 2005 business plan.

(Decision 46/33)

AGENDA ITEM 9: PROVISIONAL 2004 ACCOUNTS

133. The Executive Committee considered the provisional accounts for the Multilateral Fund for the year 2004 (UNEP/OzL.Pro/ExCom/46/38 and Corr.1), which were presented by the Treasurer. The Treasurer noted that the United Nations Board of External Auditors had undertaken the audit exercise during April 2005 and that UNEP was still awaiting the management letter to close the accounting cycle.

134. The Executive Committee took note of the provisional accounts for the year 2004 and noted that the final 2004 accounts would be submitted to the Committee at its 47th Meeting.

AGENDA ITEM 10: DRAFT AGREEMENT BETWEEN THE TREASURER AND THE IMPLEMENTING AGENCIES (FOLLOW-UP TO DECISION 45/58 (B))

135. The Treasurer presented documents UNEP/OzL.Pro/ExCom/46/39 and Corr.1. Recalling the Chair's remarks in his opening address, he noted that the draft agreements represented a new and significant step forward in regularizing and streamlining the financial reporting process and were one of several outputs from the Workshop on Common Terminology and Procedures held earlier in 2005.

136. The representative of the Secretariat drew attention to some similarities and differences between the individual agreements. In particular, she drew attention to Clause 3.2 on making commitments prior to receipt of funds. Whereas UNDP, UNEP and the World Bank would make no commitments before receipt of funds, UNIDO's draft agreement proposed that it would do so. The representative of the Secretariat also drew the Committee's attention to the fact that that was not consistent with the agreement between UNIDO and the Executive Committee.

137. Referring to the draft World Bank agreement, the representative of the Secretariat made reference to the differences between the World Bank draft agreement with the Treasurer and those of other agencies', confirming that those differences were in line with the agreement between the World Bank and the Executive Committee, with the exception of Clause 4.3 stipulating that the costs of external audit processes of the World Bank and subsequent additional audit costs would be borne by the Fund after approval by the Executive Committee. Reference was also made to Clause 5.1 on the limited termination notice of 30 days in the World Bank agreement as opposed to 180 days in the other agencies' agreements.

138. In response to a question related to Clause 4.3, the representative of the World Bank confirmed that that proviso was one that had been added to achieve consistency with all of the Bank's trust fund agreements, but that it was the World Bank's practice not to commit funds if no resources were available.

139. Following a discussion, the Executive Committee decided:

- (a) To take note of documents UNEP/OzL.Pro/ExCom/46/39 and Corr.1, together with the Secretariat's verbal update;
- (b) To endorse the text of the draft agreements between the Treasurer and UNDP, UNEP, UNIDO, and the World Bank, respectively, with the proposed differences in the text as follows:
 - (i) In Clause 3.2, stipulating that commitment was conditional upon receipt of funds in the case of UNDP, UNEP and the World Bank and not conditional upon receipt of funds in the case of UNIDO;
 - (ii) In Clause 4.3, stipulating that in the event that there were insufficient funds for the external audit processes of the World Bank, any subsequent additional audit costs would be borne by the Fund after approval by the Executive Committee;
 - (iii) In Clause 5.1, on the proposed termination notice of 30 days for the World Bank and 180 days in the case of the other agencies; and
- (c) To attach the final text of the agreements with UNDP, UNEP, UNIDO and the World Bank to the present report (Annexes VIII to XI respectively).

(Decision 46/34)

AGENDA ITEM 11: REVIEW OF THE ADMINISTRATIVE COST REGIME (DECISION 44/7)

140. The representative of the Secretariat presented the review of the administrative cost regime and core unit costs adopted for UNDP, UNIDO and the World Bank, contained in document UNEP/OzL.Pro/ExCom/46/40. He said that the document indicated that the agency core unit costs had increased by 3 per cent annually and that UNDP and UNIDO had exceeded the US \$1.5 million core unit allocation for each of the three years of the current 2003-2005 triennium. Most of that increase for UNDP and UNIDO was due to increased staff costs. Overall, the administrative costs for the agencies, including core unit costs, had represented 10.85 per cent of the value of approved projects for the period 1998-2004. Those administrative costs had amounted to 10.66 per cent for 2004 and, if the agency core unit costs above US \$1.5 million for 2005 had been applied to the overall administrative cost revenue in 2004, then the overall administrative costs for UNDP and UNIDO would have increased from 10.66 to 11.13 per cent.

141. In the ensuing discussion, a number of members asked for an explanation of the 3 per cent increase in the core unit costs being granted to the implementing agencies. Others said that, although they were sensitive to the need for additional staff, the increase in core unit costs unrelated to staffing issues needed clarification. One member also expressed concern that, although UNDP had ceased to use the services of the United Nations Office for Project Services (UNOPS), there still appeared to be no cost savings associated with that change.

142. The representative of UNIDO explained that the increased core unit costs reflected changes in the value of the euro and that, when measured in euros, the core unit costs for UNIDO had remained essentially unchanged for the period 2003-2005. He also pointed out that UNIDO had expressed its doubts about its ability to stay within the core unit allocation of US \$1.5 million, adding that currently UNIDO was absorbing a number of costs associated with the implementation of projects.

143. The representative of UNDP explained that some of the increase reflected the implementation of a large number of small projects. He pointed out that UNDP had also been using agency fees to cover increases in the core unit costs and that UNDP had raised the issue of the expected increase in core unit costs before. With regard to administrative costs, as UNDP had ceased to use the services of UNOPS, it had been necessary to provide additional fees to country offices to ensure a sufficient level of support for the programme in so many countries. There had also been a change in the overall policy on cost recovery fees for the organization as a whole.

144. Following a discussion on the possibility of recalculating the estimated core unit costs on the basis of a 3 per cent annual increase from the 2002 costs, the Executive Committee decided:

- (a) To note the review of administrative costs presented in document UNEP/OzL.Pro/ExCom/46/40;
- (b) To extend the operation of decision 38/68 and its administrative cost regime for the 2006-2008 triennium, with the following modifications:
 - (i) The base rate for core unit costs for UNDP and UNIDO would be US \$1.7 million instead of US \$1.5 million;
 - (ii) An annual increase of up to 3 per cent for UNDP, UNIDO and the World Bank based on budgets to be submitted for approval at the last Meeting of the year for the following year;
- (c) To review the operation of the administrative cost regime as modified by the present decision before the end of the following triennium; and

- (d) To note that, for UNIDO to maintain its current level of administrative costs, it would need either to increase its revenue significantly, including continued and increasing subsidies from UNIDO, or to significantly reduce its administrative costs, or both.

(Decision 46/35)

AGENDA ITEM 12: REPORT ON PROGRAMME SUPPORT COSTS OF BILATERAL COOPERATION PROJECTS (FOLLOW-UP TO DECISIONS 43/40 AND 45/57)

145. The representative of Japan submitted a position paper on core unit funding for bilateral agencies, including proposed principles and guidelines for a core unit funding advance for bilateral agencies (UNEP/OzL.Pro/ExCom/46/41), and expressed Japan's appreciation for the advice and inputs provided by the Secretariat, the implementing agencies and Executive Committee members.

146. One representative requested Japan to provide more details on funding modalities and expressed his concern that Japan would be inviting an audit procedure. The representative of Japan replied that audits were customary for implementing agencies. He further noted that paragraph 5 had been added to address the matter of administrative costs. Another representative suggested that any new model should be consistent with the consultant's assessment of the implementing agencies that resulted in the approval of the core unit costs.

147. There was agreement with the concept of giving bilateral agencies flexibility in the utilization of agency support costs, but there was some concern that the volume of projects approved might not generate sufficient agency fees to cover core unit costs. One representative suggested that the proposal drafted at the 45th Meeting by the Secretariat be reviewed as it ensured cost neutrality and asked the Secretariat to re-circulate the previous proposal.

148. Following informal consultations, the Executive Committee took note of Japan's intention to consider auditing procedures, cost savings and appropriate funding mechanisms and to submit a proposal for consideration by the Executive Committee at its 48th Meeting.

AGENDA ITEM 13: REPORT ON THE REVIEW OF GUIDELINES RELATING TO COLLECTION, RECOVERY, RECYCLING AND DESTRUCTION OF OZONE-DEPLETING SUBSTANCES (DECISION 44/63)

149. The representative of the Secretariat introduced the report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances (UNEP/OzL.Pro/ExCom/46/42 and Corr.1), which presented a compilation of decisions by the Meeting of the Parties and the Executive Committee, as requested in decision 44/63.

150. He indicated that the documents contained decisions on the indicative list of categories of incremental costs, atmospheric emissions, refrigerant recovery, halon banking, methyl bromide uses, and destruction technologies. Activities for the destruction of ODS had been included in the

2005-2007 business plans of UNDP and Japan, but at its 45th Meeting the Executive Committee had decided to defer consideration of ODS destruction projects until the 46th Meeting (decisions 45/4 (g), 45/5 (e), and 45/6 (a) (iii)). In requesting the documents submitted to the Meeting, the Executive Committee had also decided to consider whether to develop further guidelines for funding collection, recovery, recycling and destruction projects, while at the same time ensuring economically feasible and environmentally appropriate ODS management. The Secretariat welcomed the guidance of the Committee on those important issues.

151. Several representatives firmly believed that destruction of ODS was not relevant to compliance with the Montreal Protocol, which was measured in terms of production and consumption. It was noted by one representative that all models dealing with the time it would take to repair the ozone layer were based on the assumption that all ODS would eventually be emitted into the atmosphere. Given that destruction of ODS did not feature in those assumptions and that the Montreal Protocol was concerned specifically with the phasing-out of ODS production and consumption, it was suggested that the most cost-effective way of achieving compliance was to produce less ODS, not to produce greater amounts that were offset by destruction.

152. Others, however, did consider ODS destruction to be related to compliance. Firstly, consumption was a function of production, and part of the calculation of production was the subtraction of the quantities destroyed. Moreover, at their Fourth Meeting, the Parties had adopted decision IV/11, in which they agreed “To facilitate access and transfer of approved destruction technologies in accordance with Article 10 of the Protocol, together with provision for financial support under Article 10 of the Protocol for Parties operating under paragraph 1 of Article 5.” They therefore held that the cost of destruction was eligible for funding from the Multilateral Fund, if cost-effective, as stipulated in the indicative list of categories of incremental costs. One representative highlighted its cost-effectiveness, explaining that the range of costs indicated for destruction was similar to the range of cost-effectiveness approved by the Executive Committee for the different ODS consumption sectors. In that respect, so as not to adversely affect compliance, guidelines for ODS destruction should specify that there should be no increase in consumption or import of ODS resulting from the destruction of ODS.

153. Despite advances in eliminating ODS, TEAP had pointed out that several million ODP tonnes of ODS were banked in installations, equipment and stockpiles. Japan had conducted workshops and case studies in Parties operating under Article 5 and found that there was a need to destroy ODS that had been contaminated or recovered and stocked owing to replacement of equipment. With the progress of ODS phase-out and the replacement of end-of-life equipment, there was an increasing need to address ODS disposal in Parties operating under Article 5. A representative of such a Party confirmed that her country had enormous quantities of ODS that it was unable to recycle or re-use, so she considered destruction as the best way forward. She also stressed that the Committee needed to take into account destruction not only of diluted, but also of concentrated ODS. Another representative emphasized that contaminated ODS still had a market value and that there were companies, perhaps in other countries, that could undertake reclamation. It was pointed out that banked ODS should be recycled and that there was a need for information on the quantities of ODS stored that had to be dealt with. The Executive Committee was reminded that the main goal of the Protocol was to reduce the hole in the ozone

layer and that future emission of such stocks remained a possibility unless they were destroyed. Furthermore, it was pointed out that ODS were still being produced as by-products and that the way to reduce such production was to work with the industries concerned.

154. Several representatives stressed the need for synergy with other multilateral environmental agreements such as the Stockholm Convention and the Basel Convention. The Multilateral Fund Secretariat was urged to liaise with the secretariats of those agreements, especially regarding the possibility of working together in order to obtain additional funds. A representative of an implementing agency suggested taking into account in the deliberations of the Executive Committee the recent GEF workshop on destruction technologies.

155. At the request of the Chair, the representatives of Austria and Japan presented a proposal for a study to be carried out by the Secretariat itself, or by an external consultant, to address issues such as: the cost-effectiveness of destruction; adopting a holistic approach; synergy with other multilateral environmental agreements; sustainability; the possible impact on production; destruction of diluted and concentrated substances; stockpiles: their location and the substances and volumes involved; and the possibility of recovery and recycling, including regional reclamation centres.

156. Following a discussion on the proposal submitted by Austria and Japan (contained in Annex XII to the present report) and noting the need for terms of reference for the study, the Executive Committee decided:

- (a) To note with appreciation the report on the review of guidelines relating to collection, recovery, recycling and destruction of ozone-depleting substances in documents UNEP/OzL.Pro/ExCom/46/42 and Corr.1;
- (b) To request the Secretariat to prepare a paper covering terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS, taking into account the proposal of Austria and Japan set out in Annex XII to the present report and the comments made at the 46th Meeting of the Executive Committee; and
- (c) To request the Secretariat to present the paper to the 47th Meeting of the Executive Committee.

(Decision 46/36)

AGENDA ITEM 14: PHASE-OUT AGREEMENTS: FLEXIBILITY CONDITIONS (DECISION 45/15)

157. The representative of the Secretariat presented the policy paper on flexibility conditions in performance-based phase-out plans contained in document UNEP/OzL.Pro/ExCom/46/43, prepared in response to the request made by the Executive Committee in decision 45/15. He indicated that there had so far been two distinct policy approaches to the flexibility conditions in agreements on multi-year phase-out plans. While neither of the two approaches had created any

problems with the implementation of already approved agreements, the Secretariat proposed for future agreements a common way forward that drew a distinction between major changes to the use of funds and minor changes. The proposal was that minor changes could be incorporated by the country and agency concerned in the course of execution of an annual implementation plan after it had been endorsed by the Executive Committee. Proposed changes that were major in nature should, however, be documented in the proposed annual implementation plan for the following year and submitted to the Executive Committee for endorsement. He explained that a detailed methodology, together with a suggested delineation between major and minor changes, had been prepared, together with a possible decision to give effect to that approach. The implementing agencies engaged in investment activities had been consulted and agreed with the new approach.

158. The representative of the Secretariat emphasized that it was preferable to specify the boundary between major and minor changes to funding for programmes or activities in endorsed annual investment plans as a percentage of the total cost of the tranche. He indicated that an amount of money rather than a percentage of the funding for the tranche would not take into account variations in the overall value of tranches of larger and smaller projects.

159. The Secretariat explained that most existing agreements already included specific conditions on flexibility, and applying the new draft guidelines to existing projects would require an amendment of approved agreements.

160. Following a discussion, the Executive Committee decided:

- (a) That consistent with the flexibility provisions in the relevant agreement, any annual implementation plan prepared and submitted to the Executive Committee for approval could include changes to the scope and nature of the activities foreshadowed in the project document, on which approval in principle of the overall phase-out plan was based;
- (b) To reiterate its expectation that each annual implementation plan would be implemented as approved and would achieve, as a minimum, the phase-out proposed in the project document and the agreement, where relevant;
- (c) That minor changes to a project or an annual implementation plan could be incorporated, as implementation proceeded during the year, and reported on in the annual report on implementation of the annual implementation plan;
- (d) That examples of minor changes included:
 - (i) Adjustments to the number of equipment items to be purchased (for example, plus or minus 20 per cent of the number of recovery and recycling machines in an annual investment plan);
 - (ii) Changes to the size or content of training programmes included in the current approved annual investment plan;

- (iii) Financial adjustments between the levels of funding of activities in the current approved annual implementation plan (excluding transfers between agencies), provided that they did not affect the overall funding level of the approved annual investment plan;
- (e) That proposed major changes to the scope and nature of activities foreshadowed in the project document should be referred to the Executive Committee for approval as part of the annual implementation plan for the subsequent year;
- (f) That major changes could be defined as those presenting:
 - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
 - (ii) Reductions from the planned amount of phase-out to be achieved in the year;
 - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies;
 - (iv) Provision of funding for programmes or activities not included in the current endorsed annual investment plan, or removal of an activity in the annual investment plan, with a cost greater than 30 per cent of the total cost of the tranche;
- (g) That it is the responsibility of the bilateral or implementing agency in the first instance to identify whether a proposed change to implementation of the current approved annual implementation plan would be considered major or minor according to the criteria above;
- (h) That, if the proposal could constitute a major change, the agency should defer the proposed change pending submission and endorsement by the Executive Committee as part of the subsequent annual investment plan;
- (i) That where there is doubt as to the nature of a proposed change, the agency should seek the views of the Secretariat as to whether the issues raised by the proposal were such that prior consideration by the Executive Committee should be required. If the Secretariat indicated that the proposed change did not raise issues that required reference to the Committee, consistent with the above criteria, the proposal would be deemed to be a minor change and could be incorporated in the annual implementation plan currently under implementation and reported to the Executive Committee in the annual report on implementation of the annual investment plan; and
- (j) That the guidelines for preparation, implementation and management of performance-based phase-out plans adopted by the Executive Committee at its 38th Meeting (decision 38/65) were amended by replacing paragraph 7 of the

draft agreement (Annex II to the guidelines) by the following revised wording and that this would be applicable to future agreements:

“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 have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this agreement. Reallocations categorized as major changes must be documented in advance in the next annual implementation programme and endorsed by the Executive Committee as described in sub-paragraph ... Reallocations not categorized as major changes may be incorporated in the approved annual implementation programme, under implementation at the time, and reported to the Executive Committee in the report on implementation of the annual programme.”

(Decision 46/37)

AGENDA ITEM 15: CRITERIA FOR THE ASSESSMENT OF THE PROGRESS REPORTS AND VERIFICATION AUDITS OF MULTI-YEAR AGREEMENTS (DECISION 44/58)

161. The Chair recalled that, at its 44th Meeting, the Executive Committee had reviewed the second version of the criteria presented by the Secretariat in document UNEP/OzL.Pro/ExCom/44/70 and had agreed to “request the World Bank, in cooperation with other implementing agencies and the Secretariat, to organize a one-day seminar on verification and data reporting in the margins of the 45th Meeting, with participation by some interested parties”. It had also requested the Secretariat to revise the document in the light of the comments made at the 44th Meeting and the outcome of the seminar and to present a revised text to the 46th Meeting. The revised text was contained in document UNEP/OzL.Pro/ExCom/46/44.

162. The representative of the World Bank gave a report on the workshop, which had resulted in virtual consensus on the revised format for reporting on the implementation of country programmes, but at which there had not been sufficient time for a thorough discussion of the draft guidelines for the verification of multi-year agreements.

163. The representative of the Secretariat explained that Part I of document UNEP/OzL.Pro/ExCom/46/44, containing the revised format for reporting on the implementation of country programmes, incorporated all of the comments made by delegates at previous meetings and by the participants in the World Bank workshop.

164. The Chair asked if the Executive Committee could approve Part I of the document as it stood, with Part II then being discussed in more detail or alternatively submitted to a contact group. Following a discussion on certain points in Part I, and a more extensive discussion of some policy issues in Part II, the Executive Committee established a contact group, chaired by the representative of Brazil, to pursue the item.

165. The representative of Brazil reported on the deliberations of the contact group on the draft guidelines for the verification of multi-year agreements contained in Part II of document UNEP/OzL.Pro/ExCom/44/70. She said that the contact group had met four times and had revised the guidelines for the verification of the national consumption targets of multi-year agreements. While the guidelines did not cover the verification of the production of ODSs, sector plans might require additional verification procedures. The basis for verification was the maximum allowable consumption targets of multi-year agreements. The procedures for the verification had also been defined, as had the information needed for the verification.

166. In response to a question on the costs of verification, the representative of Brazil explained that the contact group had not thought it necessary to address the issue of costs, as the cost of verification should not be charged to the programme budgets of the multi-year agreements but should be covered by the administrative costs already provided in the ongoing multi-year agreements.

167. Based on the report of the convenor of the contact group, the Executive Committee decided:

- (a) To approve the guidelines for the verification of national consumption targets for the multi-year agreements contained in Annex XIII to the present report;
- (b) To request the bilateral and implementing agencies to apply the guidelines to the verification of national consumption targets of the multi-year agreements, starting with the verification of consumption for the year 2005; and
- (c) To request the Secretariat, in cooperation with the bilateral and implementing agencies, to review the implementation of the guidelines at the end of 2007.

(Decision 46/38)

168. The Executive Committee also considered suggested modifications to the draft reporting format for the implementation of country programmes.

169. The representative of the Secretariat, presented the modifications suggested by a number of members to the revised reporting format contained in Part I of document UNEP/OzL.Pro/ExCom/44/70.

170. In response to a request by the Secretariat the representative of UNEP agreed that, under the CAP, regional networks could be used to help familiarize Article 5 countries with the revised format.

171. Based on the discussion of the revised reporting format, the Executive Committee also decided:

- (a) To replace the existing format for reporting on country programmes by the revised format contained in Annex XIV to the present report;
- (b) To request the National Ozone Units, starting in 2006, to report on the implementation of country programmes using the revised format;
- (c) To request the Secretariat to incorporate the data collected into the annual analysis forecasting the compliance potential of Article 5 countries; and
- (d) To review the implementation of the revised format at the last Meeting of the Executive Committee in 2007.

(Decision 46/39)

AGENDA ITEM 16: REPORT ON THE OPERATION OF THE EXECUTIVE COMMITTEE (DECISIONS 44/57 AND 45/56 (B))

172. The Chair drew attention to document UNEP/OzL.Pro/ExCom/46/45, indicating that it contained a resubmission by the Secretariat of the report on the operation of the Executive Committee without sub-committees and potential for an inter-sessional approval procedure originally contained in document UNEP/OzL.Pro/ExCom/44/69. The resubmission was in line with decision 45/56 (b), and was intended to facilitate the Executive Committee's reconsideration of the proposals set out in document UNEP/OzL.Pro/ExCom/44/69 regarding the establishment of an inter-sessional approval procedure with a view to resuming discussion of the issue at the 46th Meeting, as provided in that decision.

173. In the ensuing discussion, there was general agreement that the current and foreseeable workload was too heavy to envisage reducing the number of meetings from three per year to two and that there was consequently no advantage in creating an inter-sessional approval procedure at present.

174. Following the discussion, the Executive Committee decided to re-examine the issue at its 50th Meeting.

(Decision 46/40)

AGENDA ITEM 17: DRAFT OUTLINE OF AN EXECUTIVE COMMITTEE PRIMER (DECISION 45/59 (D) (I))

175. The representative of the Secretariat drew attention to document UNEP/OzL.Pro/ExCom/46/46 recalling that, pursuant to decision 44/60, an assessment report on the 28 recommendations in the report of the 2004 evaluation and review of the financial

mechanism of the Montreal Protocol had been considered by the Executive Committee at its 45th Meeting, including a recommendation to develop a concise primer for new Executive Committee members. Decision 45/59 (d) had requested the Secretariat to prepare a draft outline for consideration at the 46th Meeting of the Executive Committee with the aim of presenting a draft primer to the 47th Meeting.

176. In preparing the outline, the Secretariat had taken into consideration issues and ideas raised in the report of the 2004 evaluation and review of the financial mechanism and the Executive Committee's discussions on the recommendations of the report, as requested by decision XVI/36 of the Sixteenth Meeting of the Parties. The primer would be updated after the final meeting of each year in preparation for new members who would be joining the following year. She then outlined the proposed content of the primer, as described in document UNEP/OzL.Pro/ExCom/46/46.

177. In the ensuing discussion it was suggested that a case study would be a useful addition, as would a chart showing the relationship between the Executive Committee and other bodies such as the Ozone Secretariat. However, there was no consensus on whether the primer should, or should not, contain references and links to other multilateral environmental agreements.

178. In response to questions, the representative of the Secretariat stated that the primer would be kept as concise as possible, although it was not yet possible to forecast the exact number of pages. She indicated that it would initially be produced in English, and that the question of translation into the other languages used by the Executive Committee could be examined once the English version had been completed, and that there would be an electronic version of the primer on the Multilateral Fund intranet.

179. It was also proposed that the Executive Committee test the function of the primer internally before distributing the document to other audiences.

180. Following the discussion, the Executive Committee decided:

- (a) To note the draft outline of an Executive Committee primer as contained in document UNEP/OzL.Pro/ExCom/46/46; and
- (b) To request the Secretariat to proceed with the development of a draft primer for submission to the 47th Meeting, taking into account the comments made at the 46th Meeting.

(Decision 46/41)

AGENDA ITEM 18: REPORT OF THE EXECUTIVE COMMITTEE'S SUBGROUP ON THE PRODUCTION SECTOR

181. The representative of Canada, speaking on behalf of the Subgroup on the Production Sector, presented the results of the Subgroup's deliberations. He said that the Subgroup had considered the report of the technical audit on the ODS production sector in Romania and

recommended that UNIDO take the report into consideration when preparing an investment project to phase out the production of ODS in Romania.

182. The Executive Committee decided:

- (a) To note the final audit report on the ODS production sector in Romania; and
- (b) To request UNIDO, when preparing an investment project for Romania, to take into account the findings of the audit report, and the comments of the Government of Romania thereon, as well as the response of the consultant to the Government's comments.

(Decision 46/42)

AGENDA ITEM 19: OTHER MATTERS

Progress on documenting the internal procedures and practices of the Treasurer

183. The representative of the Secretariat recalled that the 45th Meeting of the Executive Committee, as well as general recommendation 23 of the ICF report attached as Annex XVII to the report of the Executive Committee's 45th Meeting (UNEP/OzL.Pro/ExCom/45/55), had requested a report on progress in documenting the Treasurer's internal procedures and practices. She also said that, at the same Meeting, the Executive Committee had heard a report on the workshop held in February 2005, on the common terminology and procedures of the Multilateral Fund. The Secretariat had compiled all the materials distributed at the workshop into a reference document on Multilateral Fund financial activities (UNEP/OzL.Pro/ExCom/46/Inf.2). It was also foreseen that the set of reference materials would be developed into a manual to enable a primer to be developed. She said that the final progress report on the internal procedures and practices of the Treasurer would be submitted to the 47th Meeting of the Executive Committee.

184. The Executive Committee took note of the report on the progress in documenting the internal procedures and practices of the Treasurer, contained in document UNEP/OzL.Pro/ExCom/46/Inf.2.

Dates and venues of the 47th and 48th Meetings of the Executive Committee

185. The Chief Officer confirmed the dates of the 47th Meeting (Montreal, 21-25 November 2005) already agreed at the 45th Meeting (decision 45/64) and gave an indicative date of the first week in April 2006 for the 48th Meeting.

AGENDA ITEM 20: ADOPTION OF THE REPORT

186. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/46/L.1.

AGENDA ITEM 21: CLOSURE OF THE MEETING

187. Following the expressions of special thanks to Mr. Valery Smirnov, Senior Project Management Officer in the Fund Secretariat, for his many years of dedicated service, and after the customary exchange of courtesies, the Chair declared the meeting closed at 1:00 p.m. on Friday, 8 July 2005.

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

Table 1 : STATUS OF THE FUND FROM 1991-2005 (IN US DOLLARS)

As at 30 June 2005

INCOME	
Contributions received:	
- Cash payments including note encashments	1.641.909.418
- Promissory notes held	85.057.191
- Bilateral cooperation	93.543.291
- Interest earned	144.116.331
- Miscellaneous income	6.584.878
Total Income	1.971.211.109
ALLOCATIONS* AND PROVISIONS	
- UNDP	484.773.406
- UNEP	98.549.799
- UNIDO	407.064.892
- World Bank	749.583.596
Less Adjustments	-
Total allocations to implementing agencies	1.739.971.693
Secretariat and Executive Committee costs (1991-2007)	
- includes provision for staff contracts into 2007	49.336.177
Treasury fees (2003-2005)	1.050.300
Monitoring and Evaluation costs (1999-2005)	1.753.754
Technical Audit costs (1998-2005)	909.960
Information Strategy costs (2003-2004)	
- includes provision for Network maintenance costs for 2004	104.750
Bilateral cooperation	93.543.291
Provision for fixed-exchange-rate mechanism's fluctuations	
- losses/(gains) in value	(5.213.931)
Total allocations and provisions	1.881.455.994
BALANCE AVAILABLE FOR NEW ALLOCATIONS	89.755.115

*Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the Implementing agencies. It reflects the Secretariat's inventory figures on the net approved amounts. These figures are under review in the on-going reconciliation exercise

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL
Table 2 : 1991 - 2005 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME
BALANCE AVAILABLE FOR NEW ALLOCATIONS
As at 30 June 2005

Description	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991 - 2005
Pledged contributions	234.929.241	424.841.347	472.567.009	440.000.001	1.572.337.598	158.000.001	158.000.000	158.000.000	2.046.337.600
Cash payments/received	205.992.884	381.375.628	407.447.403	403.335.093	1.398.151.008	119.120.769	68.924.075	55.713.565	1.641.909.418
Bilateral assistance	4.366.255	12.089.441	22.035.587	22.683.491	61.174.774	5.182.687	18.216.127	8.969.703	93.543.291
Promissory notes	0	0	0	3.095.187	3.095.187	30.296.811	44.337.265	7.327.928	85.057.191
Total payments	210.359.139	393.465.069	429.482.990	429.113.771	1.462.420.969	154.600.267	131.477.467	72.011.196	1.820.509.900
Disputed contributions	0	8.098.267	0	0	8.098.267	0	0		8.098.267
Outstanding pledges	24.570.102	31.376.278	43.084.019	10.886.230	109.916.629	3.399.734	26.522.533	85.988.804	225.827.700
Payments %age to pledges	89,54%	92,61%	90,88%	97,53%	93,01%	97,85%	83,21%	45,58%	88,96%
Interest earned	5.323.644	28.525.733	44.685.516	53.946.601	132.481.494	7.227.409	4.407.428	0	144.116.331
Miscellaneous income	1.442.103	1.297.366	1.223.598	1.125.282	5.088.349	347.600	457.931	690.998	6.584.878
TOTAL INCOME	217.124.886	423.288.168	475.392.104	484.185.654	1.599.990.812	162.175.276	136.342.826	72.702.194	1.971.211.109
Accumulated figures	1991-1993	1994-1996	1997-1999	2000-2002	1991 - 2002	2003	2004	2005	1991-2005
Total pledges	234.929.241	424.841.347	472.567.009	440.000.001	1.572.337.598	158.000.001	158.000.000	158.000.000	2.046.337.600
Total payments	210.359.139	393.465.069	429.482.990	429.113.771	1.462.420.969	154.600.267	131.477.467	72.011.196	1.820.509.900
Payments %age to pledges	89,54%	92,61%	90,88%	97,53%	93,01%	97,85%	83,21%	45,58%	88,96%
Total income	217.124.886	423.288.168	475.392.104	484.185.654	1.599.990.812	162.175.276	136.342.826	72.702.194	1.971.211.109
Total outstanding contributions	24.570.102	31.376.278	43.084.019	10.886.230	109.916.629	3.399.734	26.522.533	85.988.804	225.827.700
As % to total pledges	10,46%	7,39%	9,12%	2,47%	6,99%	2,15%	16,79%	54,42%	11,04%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24.570.102	31.376.278	32.989.397	9.811.798	98.747.575	2.491.827	2.507.197	3.125.830	103.746.599
CEITs' outstandings %age to pledges	10,46%	7,39%	6,98%	2,23%	6,28%	1,58%	1,59%	1,98%	5,07%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan

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

Table 3 : 1991-2005 Summary Status of Contributions

As at 30 June 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	37.227.395	35.808.300	1.349.795	0	69.299	798.797
Austria	21.207.361	21.075.571	131.790	0	0	-1.010.742
Azerbaijan	844.490	130.000	0	0	714.490	0
Belarus	2.570.292	0	0	0	2.570.292	0
Belgium	26.243.465	24.057.114	0	0	2.186.351	738.724
Bulgaria	1.067.607	1.067.607	0	0	0	0
Canada*	70.753.197	59.340.284	7.614.282	3.963.867	-165.236	-166.867
Cyprus	148.670	148.670	0	0	0	0
Czech Republic	5.781.368	5.715.278	66.090	0	0	39.515
Denmark	17.178.466	15.522.942	205.000	0	1.450.524	-570.558
Estonia	133.009	133.008	0	0	0	0
Finland	13.733.683	12.167.322	451.870	0	1.114.491	-380.489
France	154.337.191	103.905.120	13.310.879	22.268.387	14.852.805	-5.679.396
Germany	228.288.101	161.878.061	32.329.865	26.314.440	7.765.734	158.995
Greece	9.926.439	6.847.138	0	0	3.079.301	-77.889
Hungary	3.493.043	3.446.549	46.494	0	0	0
Iceland	757.434	694.034	0	0	63.400	1.413
Ireland	5.493.626	5.493.625	0	0	0	208.838
Israel	7.192.078	3.724.671	38.106	0	3.429.301	0
Italy	119.405.796	108.197.753	5.324.489	0	5.883.554	3.291.976
Japan	388.280.945	370.755.977	11.852.712	0	5.672.256	0
Kuwait	286.549	286.549	0	0	0	0
Latvia	317.365	317.364	0	0	0	0
Liechtenstein	200.213	200.213	0	0	0	0
Lithuania	467.839	14.975	0	0	452.864	0
Luxembourg	1.688.202	1.688.202	0	0	0	-106.272
Malta	28.052	28.052	0	0	0	0
Monaco	158.067	158.067	0	0	0	0
Netherlands	39.465.288	36.101.227	0	3.364.061	0	0
New Zealand	5.762.570	5.762.569	0	0	0	68.428
Norway	14.346.979	14.346.979	0	0	0	172.322
Panama	16.915	16.915	0	0	0	0
Poland	5.214.105	4.488.235	113.000	0	612.870	0
Portugal	8.005.409	5.319.539	0	0	2.685.870	198.162
Russian Federation	93.732.102	0	0	0	93.732.102	0
Singapore	531.221	459.245	71.976	0	0	0
Slovak Republic	1.854.952	1.838.429	16.523	0	0	0
Slovenia	528.147	528.147	0	0	0	0
South Africa	3.793.691	3.763.691	30.000	0	0	0
Spain	57.198.685	55.607.003	795.841	0	795.841	0
Sweden	27.450.190	23.523.817	1.920.730	0	2.005.643	-160.130
Switzerland	29.234.158	28.117.500	1.116.658	0	0	-1.349.839
Tajikistan	96.635	5.333	0	0	91.302	0
Turkmenistan	293.245	5.764	0	0	287.481	0
Ukraine	8.803.657	785.600	0	0	8.018.057	0
United Arab Emirate	559.639	559.639	0	0	0	0
United Kingdom	127.126.926	101.552.087	565.000	14.291.336	10.718.503	-1.388.920
United States of America	504.531.570	416.136.646	16.192.191	14.855.100	57.347.633	0
Uzbekistan	581.574	188.606	0	0	392.968	0
SUB-TOTAL	2.046.337.600	1.641.909.418	93.543.291	85.057.191	225.827.700	-5.213.931
Disputed Contributions (**)	8.098.267	0	0	0	8.098.267	
TOTAL	2.054.435.867	1.641.909.418	93.543.291	85.057.191	233.925.967	

NB: (*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39th meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40th meeting to read \$1,208,219 and \$6,449,438 instead of \$1,300,088 and \$6,414,880 respectively.

(**) Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only.

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

Table 4 : Status of Contributions for 2005

As at 30 June 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3.150.806	3.150.806			0
Austria	1.832.847	1.832.847			0
Azerbaijan	7.685				7.685
Belarus	36.503				36.503
Belgium	2.186.352				2.186.352
Bulgaria	24.976	24.976			0
Canada	4.954.834	1.086.143	70.060	3.963.867	(165.236)
Czech Republic	330.450	330.450			0
Denmark	1.450.523				1.450.523
Estonia	19.212	19.212			0
Finland	1.010.563				1.010.563
France	12.518.689		2.416.001		10.102.688
Germany	18.914.440		3.530.300		15.384.140
Greece	1.043.224				1.043.224
Hungary	232.468	232.468			0
Iceland	63.400				63.400
Ireland	570.603	570.603			0
Israel	803.071				803.071
Italy	9.805.922	7.844.737			1.961.184
Japan	34.760.000	31.941.693	2.818.307		0
Latvia	19.212	19.212			0
Liechtenstein	11.527	11.527			0
Lithuania	32.661				32.661
Luxembourg	153.698	153.698			0
Monaco	7.685	7.685			0
Netherlands	3.364.061			3.364.061	0
New Zealand	466.857	466.857			0
Norway	1.252.637	1.252.637			0
Poland	612.870				612.870
Portugal	895.290				895.290
Russian Federation	2.305.467				2.305.467
Slovak Republic	82.613	82.613			0
Slovenia	155.619	155.619			0
Spain	4.877.985	4.082.144			795.841
Sweden	1.988.466		135.035		1.853.431
Switzerland	2.447.638	2.447.638			(0)
Tajikistan	1.921				1.921
Turkmenistan	5.764				5.764
Ukraine	101.825				101.825
United Kingdom	10.718.503				10.718.503
United States of America	34.760.000				34.760.000
Uzbekistan	21.133				21.133
TOTAL	158.000.000	55.713.565	8.969.703	7.327.928	85.988.804

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

Table 5 : Status of Contributions for 2004

As at 30 June 2005

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3.150.806	3.150.806			(0)
Austria	1.832.847	1.832.847			0
Azerbaijan	7.685	0			7.685
Belarus	36.503	0			36.503
Belgium	2.186.352	2.186.352			0
Bulgaria	24.976	24.976			0
Canada	4.954.834	4.667.509	287.325	0	(0)
Czech Republic	330.450	330.450			0
Denmark	1.450.523	1.450.523			0
Estonia	19.212	19.212			0
Finland	1.010.563	1.010.563			0
France	12.518.689	0	2.302.683	9.784.323	431.683
Germany	18.914.440	0	3.801.533	18.914.440	(3.801.533)
Greece	1.043.224	0			1.043.224
Hungary	232.468	232.468			0
Iceland	63.400	63.400			0
Ireland	570.603	570.603			0
Israel	803.071				803.071
Italy	9.805.922	7.844.737			1.961.185
Japan	34.760.000	30.098.098	4.661.902		0
Latvia	19.212	19.212			0
Liechtenstein	11.527	11.527			0
Lithuania	32.661	0			32.661
Luxembourg	153.698	153.698			0
Monaco	7.685	7.685			0
Netherlands	3.364.061	3.364.061		0	0
New Zealand	466.857	466.857			0
Norway	1.252.637	1.252.637			0
Poland	612.870	612.870			0
Portugal	895.290	0			895.290
Russian Federation	2.305.467	0			2.305.467
Slovak Republic	82.613	82.613			0
Slovenia	155.619	155.619			0
Spain	4.877.985	4.082.144	795.841		(0)
Sweden	1.988.466	1.590.768	302.915		94.783
Switzerland	2.447.638	1.758.710	688.928		0
Tajikistan	1.921	0			1.921
Turkmenistan	5.764	5.764			0
Ukraine	101.825	0			101.825
United Kingdom	10.718.503	0		10.718.503	0
United States of America	34.760.000	1.877.367	5.375.000	4.920.000	22.587.633
Uzbekistan	21.133	0			21.133
TOTAL	158.000.000	68.924.075	18.216.127	44.337.265	26.522.533

Table 6

**Status of Promissory Notes
as at 30 June 2005**

in USD

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada		3.963.867	3.963.867					3.963.867	3.963.867
France		22.268.387	22.268.387			18.779.814		3.488.573	22.268.387
Germany	14.437.096	11.877.344	26.314.440				14.437.096	11.877.344	26.314.440
The Netherlands		3.364.061	3.364.061					3.364.061	3.364.061
United Kingdom		14.291.336	14.291.336					14.291.336	14.291.336
United States of America		14.855.100	14.855.100	6.303.743				8.551.357	14.855.100
TOTAL	14.437.096	70.620.095	85.057.191	6.303.743	0	18.779.814	14.437.096	45.536.538	85.057.191

Annex II

**QUALITATIVE PERFORMANCE INDICATORS FOR IMPLEMENTING AGENCIES
ASSESSMENT REPORT¹
(Confidential)**

Instructions:

National Ozone Unit officers (NOUs) are requested to provide one assessment report for each implementing agency operating in the country.

There are 3 main qualitative performance indicators: (1) organization and cooperation (2) technical assistance/training; and (3) impact. Several questions pertaining to each indicator are provided for your assessment and to enable you to determine an overall assessment for the three main indicators.

NOUs should specify a rating of 1 to 4 for the indicators with the best being 4 (highly satisfactory), 3 (satisfactory), 2 (less satisfactory), and 1 (unsatisfactory).

The final column in the assessment report enables the National Ozone Unit officer to indicate if the question is not relevant to the agency concerned. It also gives NOUs that would prefer to provide a narrative response to the question a place to put that optional information.

The assessment report is confidential and will be shared with the concerned implementing agency for its comment. The Fund Secretariat will compile the results of the individual reports and share anecdotal information while maintaining the confidentiality of the country that provided the information.

Country	
National Ozone Unit Officer	
Implementing Agency	

Section I: Rating by Indicator

Indicator/Sub-indicator	Ratings				Not relevant / Optional Narrative Rating
	4	3	2	1	
	Highly satisfactory	Satisfactory	Less satisfactory	Unsatisfactory	
Organization and Cooperation					
Did cooperation with the staff of the implementing agency take place in an atmosphere of mutual understanding?					

¹ Revised version with changes indicated.

Indicator/Sub-indicator	Ratings				Not relevant / Optional Narrative Rating
	4 Highly satisfactory	3 Satisfactory	2 Less satisfactory	1 Unsatisfactory	
Did the responsible staff of the implementing agency communicate sufficiently and help to avoid misunderstanding?					
Were the required services of the implementing agency delivered in time?					
Did the implementing agency clearly explain its work plan and division of tasks?					
Did the implementing agency sufficiently control and monitor the delivery of consultant services?					
Has the use of funds been directed effectively to reach the targets and was it agreed between the national ozone unit and the implementing agency?					
Was active involvement of the national ozone unit ensured in project:					
• Identification?					
• Development?					
• Implementation?					
If there was a lead agency for a multi-agency project, did it coordinate the activities of the other implementing agencies satisfactorily?					
ORGANIZATION AND COOPERATION (Overall Rating)					
Technical Assistance/Training					
Were project partners and stakeholders encouraged by the implementing agency to participate positively in decision-making and design of activities?					
Did project partners receive sufficient technical advice and/or assistance in their decision-making on technology?					
Did the agency give sufficient consideration to training aspects within funding limits?					
Was the selection and competence of consultants provided by the agency satisfactory?					

Indicator/Sub-indicator	Ratings				Not relevant / Optional Narrative Rating
	4 Highly satisfactory	3 Satisfactory	2 Less satisfactory	1 Unsatisfactory	
Do you feel that you have received sufficient support in building capacities for the national implementation of the project (within the funding limitations)?					
Has the acquisition of services and equipment been successfully administered, contracted and its delivery monitored?					
In case of need, was trouble-shooting by the agency quick and in direct response to your needs?					
<i>Investment projects:</i>					
Has the agency been effective and met the expectations of stakeholders in providing technical advice, training and commissioning?					
Has the agency been responsive in addressing any technical difficulties that may have been encountered subsequent to the provision of non-ODS technology?					
<i>National phase-out plans:</i>					
Were proposed implementation strategies adequate?					
Has the technical advice or training that was provided been effective?					
Has technical advice on equipment specifications been adequate?					
Has support for the distribution of equipment been adequate?					
Has support to identify policy issues related to implementation been adequate?					
<i>Training projects</i>					
Was the quality of the training provided satisfactory?					
Was the training designed so that those trained would be likely to use the skills taught?					
<i>Regulatory assistance projects</i>					
Were the regulations that were proposed by the agency:					
• Applicable?					
• Enforceable?					
• Adapted to local circumstances?					

Indicator/Sub-indicator	Ratings				Not relevant / Optional Narrative Rating
	4	3	2	1	
	Highly satisfactory	Satisfactory	Less satisfactory	Unsatisfactory	
TECHNICAL ASSISTANCE/TRAINING (Overall Rating)					
Impact					
In the design and implementation of the project, has the implementing agency been striving to achieve sustainable results?					
Has cooperation with the implementing agency substantially contributed and added value to your work or organization in managing compliance in your country?					
IMPACT (Overall Rating)					

Section II: Narrative Rating

Please provide a narrative explaining the evaluation of the agency’s achievements:

Implementing agency’s response (to be provided by the implementing agency):

Annex III

AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN URUGUAY

1. The Executive Committee agrees to approve US \$469,370 as the total funds available to achieve the commitments stipulated in this document for the phase-out of the use of methyl bromide in Uruguay subject to the following understandings and considerations:

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, Uruguay had a consumption of 23.79 ODP tonnes of methyl bromide in 2000. In accordance with the data submitted to the Ozone Secretariat by Uruguay for the years 1995-1998, Uruguay has a methyl bromide baseline of 11.2 ODP tonnes. Accordingly, Uruguay had to freeze consumption at the 1995-1998 level by the end of 2001 to achieve compliance with the Protocol's 2002 freeze. However, the Government of Uruguay is requesting some flexibility from the Executive Committee and proposes the following phase-out schedule:

Year	ODP tonnes
2002	17.7*
2003	8.7*
2004	11.1*
2005	8.9
2006	8.9
2009	8.9
2010	6.0
2011	6.0
2012	6.0
2013	0

(*) As reported under Article 7 of the Montreal Protocol

3. In addition, Uruguay commits to sustaining this phase-out of methyl bromide through the use of bans in the use of methyl bromide for the uses covered by this project. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Uruguay exceeds subsequent phase-out requirements of the Montreal Protocol.

4. UNIDO shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project, as well as on annual costs related to the use of the selected technology inputs being purchased with the project funds. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

5. This agreement supersedes the agreement approved at the 34th meeting of the Executive Committee. Entry into force of this agreement is subject to a possible decision by the 17th Meeting of the Parties being consistent with the timetable in paragraph 2 above.

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
AFGHANISTAN					
SEVERAL					
Institutional strengthening					
Start up of institutional strengthening project	UNEP		\$20,000	\$0	\$20,000
<i>Approved, on an exceptional basis, as an advance on funding for phase I of the institutional strengthening project.</i>					
Total for Afghanistan			\$20,000		\$20,000
ALBANIA					
PHASE-OUT PLAN					
ODS phase out plan					
National ODS phase out plan (2nd tranche)	UNIDO	6.8	\$172,322	\$12,924	\$185,246 9.60
<i>Approved on the understanding that the licensing and quota system would be implemented with the utmost urgency, and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (phase I, year 3)	UNEP		\$54,600	\$0	\$54,600
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance. The Executive Committee urged Albania to implement its licensing and quota system with the utmost urgency.</i>					
Total for Albania			6.8	\$226,922	\$12,924
ALGERIA					
PHASE-OUT PLAN					
Preparation of project proposal					
Preparation of a national ODS phase-out plan	UNIDO		\$25,000	\$1,875	\$26,875
<i>Approved to address residual consumption in Algeria, in conjunction with the TPMP being prepared by Germany.</i>					
Total for Algeria			\$25,000	\$1,875	\$26,875
ARGENTINA					
FUMIGANT					
Methyl bromide					
Methyl bromide phase-out in tobacco and non-protected vegetable seedbeds (fifth tranche)	UNDP	33.3	\$467,000	\$35,025	\$502,025
<i>Approved on the understanding that future progress reports and the project completion report would advise on the final disposal of the vehicle.</i>					
SEVERAL					
Institutional strengthening					
Extension for institutional strengthening project (phase IV)	UNDP	25.7	\$311,567	\$23,368	\$334,935
Total for Argentina			59.0	\$778,567	\$58,393

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
BARBADOS						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (phase III, year 2)	UNEP		\$58,500	\$0	\$58,500	
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>						
Total for Barbados			\$58,500		\$58,500	
BELIZE						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (phase III)	UNEP		\$76,700	\$0	\$76,700	
Total for Belize			\$76,700		\$76,700	
BHUTAN						
SEVERAL						
Institutional strengthening						
Institutional strengthening project, phase I	UNEP		\$90,000	\$0	\$90,000	
Total for Bhutan			\$90,000		\$90,000	
BRAZIL						
FUMIGANT						
Methyl bromide						
Total phase-out of MB used in tobacco, flowers, ornamental plants, strawberries and other uses	Spain	65.4	\$580,390	\$75,451	\$655,841	14.50
<i>Approved in accordance with the Agreement between the Government of Brazil and the Executive Committee, and on the understanding that no more funding will be provided from the Multilateral Fund for the phase out of controlled uses of MB in Brazil.</i>						
Total phase-out of MB used in tobacco, flowers, ornamental plants, strawberries and other uses	UNIDO	152.6	\$1,450,251	\$108,769	\$1,559,020	14.50
<i>Approved in accordance with the Agreement between the Government of Brazil and the Executive Committee, and on the understanding that no more funding will be provided from the Multilateral Fund for the phase out of controlled uses of MB in Brazil.</i>						
Total for Brazil		218.0	\$2,030,641	\$184,220	\$2,214,861	
CAMBODIA						
FUMIGANT						
Training programme/workshop						
Training and awareness workshop in the fumigants sector (methyl bromide)	UNIDO		\$30,000	\$2,700	\$32,700	
<i>Approved on the understanding that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB</i>						
Total for Cambodia			\$30,000	\$2,700	\$32,700	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
CHINA						
FUMIGANT						
Methyl bromide						
National phase-out of methyl bromide (phase II)	Italy		\$4,000,000	\$470,000	\$4,470,000	13.61
PROCESS AGENT						
Sectoral phase out plan						
Process agent sector plan (phase I)	IBRD	4,556.0	\$2,000,000	\$150,000	\$2,150,000	
<i>Note: 16,171 ODP tonnes of CTC production would be phased out in 2005</i>						
Total for China		4,556.0	\$6,000,000	\$620,000	\$6,620,000	
CONGO, DR						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (phase III)	UNEP	5.2	\$64,540	\$0	\$64,540	
Total for Congo, DR		5.2	\$64,540		\$64,540	
COTE D'IVOIRE						
AEROSOL						
Filling plant						
Phase-out of CFC-12 in the manufacture of cosmetics aerosols (deodorants) by conversion to hydrocarbon aerosol propellant (HAP) at COPACI, Abidjan (terminal aerosol sector project)	UNIDO	43.4	\$110,428	\$9,939	\$120,367	2.54
<i>Approved on the understanding that no additional funds will be requested from the Multilateral Fund for the phase-out of CFCs in the aerosol sector. The Committee also requested UNIDO to make all attempts to redeploy the equipment purchased for a cancelled aerosol project in Macedonia (MDN/ARS/32/INV/17) in a cost effective manner in order to offset the need to purchase additional new equipment; and in the event that some or all of the equipment from Macedonia cannot be redeployed to the Copaci aerosol project in Cote d'Ivoire, to continue to attempt to redeploy the equipment elsewhere and to report back to a future Meeting of the Executive Committee.</i>						
Total for Cote D'Ivoire		43.4	\$110,428	\$9,939	\$120,367	
CROATIA						
PHASE-OUT PLAN						
CFC phase out plan						
Terminal CFC phase-out management plan (third tranche)	UNIDO		\$35,000	\$2,625	\$37,625	
Terminal CFC phase-out management plan (third tranche)	Sweden		\$21,500	\$1,613	\$23,113	
Total for Croatia			\$56,500	\$4,238	\$60,738	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
EGYPT						
PHASE-OUT PLAN						
CFC phase out plan						
National CFC phase-out plan (first tranche)	UNIDO	150.0	\$1,000,000	\$75,000	\$1,075,000	5.16
<i>Approved in accordance with the Agreement between the Government of Egypt and the Executive Committee.</i>						
Total for Egypt		150.0	\$1,000,000	\$75,000	\$1,075,000	
GRENADA						
REFRIGERATION						
Preparation of project proposal						
Preparation of refrigerant management plan update	UNEP		\$15,000	\$1,950	\$16,950	
Total for Grenada			\$15,000	\$1,950	\$16,950	
INDONESIA						
PHASE-OUT PLAN						
Preparation of project proposal						
Project preparation funds for the development of a phase-out plan for the MDI sector	IBRD		\$45,000	\$3,375	\$48,375	
Total for Indonesia			\$45,000	\$3,375	\$48,375	
JORDAN						
SEVERAL						
Institutional strengthening						
Renewal of institutional strengthening project (phase VI)	IBRD	11.8	\$147,320	\$11,049	\$158,369	
Total for Jordan		11.8	\$147,320	\$11,049	\$158,369	
KOREA, DPR						
PHASE-OUT PLAN						
CTC phase out plan						
Plan for terminal phase-out of CTC (second tranche)	UNIDO		\$1,000,000	\$75,000	\$1,075,000	
Plan for terminal phase-out of CTC (third tranche)	UNIDO	1,441.4	\$300,000	\$22,500	\$322,500	
Preparation of project proposal						
Preparation of a terminal phase-out management plan	UNEP		\$25,000	\$3,250	\$28,250	
Preparation of a terminal phase-out management plan	UNIDO		\$15,000	\$1,125	\$16,125	
Total for Korea, DPR		1,441.4	\$1,340,000	\$101,875	\$1,441,875	

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
NIGERIA					
PHASE-OUT PLAN					
ODS phase out plan					
Terminal ODS phase-out umbrella project in the solvent sector (2nd tranche)	UNIDO		\$317,000	\$23,775	\$340,775
<i>Approved on the condition that disbursement of the funding should not commence until agreement between the Secretariat and UNIDO had been reached that the specified 2004 consumption limits had been verified. UNIDO was requested to follow the requirements of decision 43/31 in submitting requests for subsequent tranches of the project.</i>					
	Total for Nigeria		\$317,000	\$23,775	\$340,775
OMAN					
PHASE-OUT PLAN					
Preparation of project proposal					
Preparation of a terminal phase-out management plan	UNIDO		\$30,000	\$2,250	\$32,250
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening support (phase II)	UNIDO		\$68,467	\$5,135	\$73,602
	Total for Oman		\$98,467	\$7,385	\$105,852
QATAR					
PHASE-OUT PLAN					
Preparation of project proposal					
Preparation of a terminal phase-out management plan	UNIDO		\$30,000	\$2,250	\$32,250
	Total for Qatar		\$30,000	\$2,250	\$32,250
TANZANIA					
REFRIGERATION					
Refrigerant management plan					
Refrigerant management plan update	France		\$157,252	\$20,443	\$177,695
<i>Approved on the understanding that the Government of France will provide appropriate monitoring throughout project implementation.</i>					
	Total for Tanzania		\$157,252	\$20,443	\$177,695
THAILAND					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (phase IV)	IBRD	27.7	\$346,668	\$26,000	\$372,668
	Total for Thailand	27.7	\$346,668	\$26,000	\$372,668

List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
TURKMENISTAN					
SEVERAL					
Institutional strengthening					
Institutional strengthening project, phase I	UNEP		\$115,693	\$0	\$115,693
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance. The Executive Committee also decided not to provide assistance from the Multilateral Fund in the future for ODS phase-out activities in Turkmenistan other than institutional strengthening.</i>					
Total for Turkmenistan			\$115,693		\$115,693
VENEZUELA					
PRODUCTION					
CFC closure					
National CFC production closure plan (second tranche)	IBRD		\$8,100,000	\$607,500	\$8,707,500
Total for Venezuela			\$8,100,000	\$607,500	\$8,707,500
VIETNAM					
SEVERAL					
Institutional strengthening					
Renewal of institutional strengthening project (phase V)	UNEP	9.5	\$118,976	\$0	\$118,976
Total for Vietnam			9.5	\$118,976	\$118,976
GLOBAL					
REFRIGERATION					
Preparation of project proposal					
Project preparation in the chiller sector	UNEP		\$40,000	\$5,200	\$45,200
Project preparation in the chiller sector	UNDP		\$122,000	\$9,150	\$131,150
Project preparation in the chiller sector and organization of a workshop	IBRD		\$195,000	\$14,625	\$209,625
Project preparation in the chiller sector	UNIDO		\$119,000	\$8,925	\$127,925
Total for Global			\$476,000	\$37,900	\$513,900
GRAND TOTAL		6,528.8	\$21,875,174	\$1,812,791	\$23,687,965

Summary

UNEP/OzL.Pro/ExCom/46/47
Annex IV

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
BILATERAL COOPERATION				
Fumigant	65.4	\$4,580,390	\$545,451	\$5,125,841
Refrigeration		\$157,252	\$20,443	\$177,695
Phase-out plan		\$21,500	\$1,613	\$23,113
TOTAL:	65.4	\$4,759,142	\$567,507	\$5,326,649
INVESTMENT PROJECT				
Aerosol	43.4	\$110,428	\$9,939	\$120,367
Fumigant	185.9	\$1,917,251	\$143,794	\$2,061,045
Process agent	4,556.0	\$2,000,000	\$150,000	\$2,150,000
Production		\$8,100,000	\$607,500	\$8,707,500
Phase-out plan	1,598.2	\$2,824,322	\$211,824	\$3,036,146
TOTAL:	6,383.5	\$14,952,001	\$1,123,057	\$16,075,058
WORK PROGRAMME AMENDMENT				
Fumigant		\$30,000	\$2,700	\$32,700
Refrigeration		\$491,000	\$39,850	\$530,850
Phase-out plan		\$170,000	\$14,125	\$184,125
Several	79.9	\$1,473,031	\$65,552	\$1,538,583
TOTAL:	79.9	\$2,164,031	\$122,227	\$2,286,258
Summary by Parties and Implementing Agencies				
France		\$157,252	\$20,443	\$177,695
Italy		\$4,000,000	\$470,000	\$4,470,000
Spain	65.4	\$580,390	\$75,451	\$655,841
Sweden		\$21,500	\$1,613	\$23,113
IBRD	4,595.5	\$10,833,988	\$812,549	\$11,646,537
UNDP	59.0	\$900,567	\$67,543	\$968,110
UNEP	14.7	\$679,009	\$10,400	\$689,409
UNIDO	1,794.2	\$4,702,468	\$354,792	\$5,057,260
GRAND TOTAL	6,528.8	\$21,875,174	\$1,812,791	\$23,687,965

ADJUSTMENTS ARISING FROM THE 46TH MEETING OF THE EXECUTIVE COMMITTEE FOR PROJECTS AND ACTIVITIES

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNDP (per decision 46/2(b)&(c))	69,845	9,040	78,885
UNEP (per decision 46/2(b)&(c))	1,216,495	142,965	1,359,460
UNIDO (per decision 46/2(b)&(c))	18,797	6,362	25,159
World Bank (per decision 46/2(b)&(c))	678,348	88,181	766,529
Total	1,983,485	246,548	2,230,033

ADJUSTMENTS ARISING FROM THE 46TH MEETING OF THE EXECUTIVE COMMITTEE FOR TRANSFERRED PROJECT

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNIDO (per decision 46/8(c))	64,600	5,814	70,414
World Bank (per decision 46/8(c))	(64,600)	(5,814)	(70,414)

NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON DECISIONS OF THE 46TH MEETING OF THE EXECUTIVE COMMITTEE

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
France	157,252	20,443	177,695
Italy	4,000,000	470,000	4,470,000
Spain	580,390	75,451	655,841
Sweden	21,500	1,613	23,113
UNDP	830,722	58,503	889,225
UNIDO	4,748,271	354,244	5,102,515
World Bank	10,091,040	718,554	10,809,594
Total	20,429,175	1,698,808	22,127,983

FUNDS TO BE OFFSET AGAINST FUTURE APPROVALS*

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
UNEP	-537,486	-132,565	-670,051
Total	-537,486	-132,565	-670,051

*These amounts should be offset against future approvals at the 47th Meeting or thereafter.

FUNDS OBLIGATED FOR EXTRA-BUDGETARY ALLOCATIONS TO BE MANAGED BY THE FUND SECRETARIAT (IN US\$)

Items	Decision	Busget Revised or Approved at the 46 th Meeting	Funds Approved at Previous Meeting	Additional Funds To Be Allocated
Revised Monitoring and Evaluation Work Programme for the Year 2005	Decision 46//7(a)	326,000	246,000	80,000
Total		326,000	246,000	80,000

Annex V

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 46TH MEETING

Argentina

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Argentina. The Committee notes with appreciation that Argentina has successfully complied with all its current Montreal Protocol control measures. The Executive Committee also notes that Argentina has taken some significant steps towards a more complete legal framework for the control of ODS, as well as several other important initiatives. The Executive Committee greatly appreciates the measures that have been taken by the Government to reduce its ODS consumption and is hopeful that, in the next two years, Argentina will continue its strategic approach to ODS phase-out, including the implementation of ongoing sector and national plans, with outstanding success, to achieve rapid and permanent reductions in its current levels of ODS consumption.

Belize

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Belize and notes with appreciation that Belize reported 2004 data to the Ozone Secretariat indicating that Belize's CFC consumption is below the level required in the approved action plan. The Executive Committee also notes that within the framework of the institutional strengthening project, Belize has taken significant steps to phase out its ODS consumption. Specifically, the establishment of a certification and licensing scheme for refrigeration technicians, as well as measures for the prevention of illegal CFC trade and the monitoring of RMP activities. The Executive Committee is therefore hopeful that, in the next two years, Belize will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Democratic Republic of Congo

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for the Democratic Republic of Congo (D.R. Congo) and notes with appreciation that the D.R. Congo reported 2004 data to the Ozone Secretariat indicating that CFC consumption in D.R. Congo is substantially below the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, the D.R. Congo has taken significant steps to phase out its ODS consumption. Specifically, the establishment of a National Ozone Unit, establishing a data collection system and carrying out training courses for customs officers and refrigeration technicians. The Executive Committee is therefore hopeful that, in the next two years, the D.R. Congo will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Jordan

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for the Hashemite Kingdom of Jordan and notes with appreciation that Jordan reported data to the Ozone Secretariat indicating that the 2005, 50 per cent CFC phase-out target was achieved ahead of time. The Executive Committee also notes that within the framework of the institutional strengthening project, Jordan has taken significant steps to phase-out its ODS consumption in other areas such as halons and methyl bromide. Specifically, the coordination of implementation of the national CFC, halon and methyl bromide phase-out plan; the completion of training workshops for customs officers and implementation of an import control system; the continuation of awareness raising activities to ensure stakeholders' commitment to ODS phase-out, and; development of a methyl bromide strategy. The Executive Committee greatly supports the efforts of Jordan to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Jordan will continue with the implementation of its country programme and activities under the national ODS phase-out plan, with outstanding success in the reduction of current ODS consumption levels.

Oman

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Oman and notes with appreciation that Oman has reported data to the Ozone Secretariat that was lower than its 1995-1997 average CFC compliance baseline. Oman therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Oman has taken significant steps to phase out its ODS consumption. Specifically, implementation of legislation to control ODS imports and a system for monitoring of ODS consumption, the organization of training workshops for customs officers and the organization of awareness activities to reinforce the commitment of stakeholders to ODS phase out. The Executive Committee greatly supports the efforts of Oman to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Oman will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.

Thailand

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Thailand. The Committee notes with appreciation that over the past four years Thailand has effectively implemented its national CFC phase-out plan and has successfully met the commitments in the plan. The Committee also appreciates the efforts that were taken to develop the national methyl bromide phase-out plan, which will enable the country to phase out its consumption of methyl bromide for non-QPS applications. Specifically, Thailand has coordinated the work of all the agencies which have a role in ensuring compliance, and has conducted training, monitoring and enforcement activities and awareness raising campaigns. The Executive Committee greatly appreciates the steps taken by the Government of Thailand to reduce its overall ODS consumption. The Committee is hopeful that

during the next two years, Thailand will continue with its strategic approach to ODS phase-out with outstanding success and will sustain and build upon its current achievements.

Viet Nam

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Viet Nam and notes with appreciation that Viet Nam reported data to the Ozone Secretariat indicating that it has already met the 50 per cent CFC phase-out Montreal Protocol control target for 2005. The Executive Committee also notes that within the framework of the institutional strengthening project, Viet Nam has taken significant steps to phase-out its ODS consumption. Specifically, coordination of implementation of the terminal project in the aerosol sector, preparation of a national CFC and halon phase-out plan; the completion of ongoing projects; organization of training workshops for customs officers; continuation of awareness-raising activities to ensure stakeholders' commitment to ODS phase-out; and, development of a methyl bromide strategy. The Executive Committee greatly supports the efforts of Viet Nam to reduce the consumption of ODS. The Executive Committee is therefore hopeful that, in the next two years, Viet Nam will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current ODS consumption levels.

Annex VI

AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN BRAZIL

1. The Executive Committee at its 46th Meeting approved US \$2,030,641 (US \$1,450,251 for UNIDO and US \$580,390 for the Government of Spain) plus agency support costs of US \$184,220 (US \$108,769 for UNIDO and US \$75,451 for the Government of Spain) as the total funds that will be available to Brazil to phase out 218.6 ODP tonnes of methyl bromide (MB) used for soil fumigation in strawberries, flowers and ornamental plants and other uses representing the total consumption of MB excluding quarantine and pre-shipment applications.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for Brazil has been established at 711.6 ODP tonnes. Brazil has also reported a MB consumption of 218.6 ODP tonnes for the year 2003, excluding quarantine and pre-shipment applications. Accordingly, Brazil is in compliance with the 2005 Montreal Protocol 20 per cent reduction.

3. Reductions in accordance with the terms of this project and other commitments presented in the project document will ensure that Brazil will apply and enforce administrative measures to comply the reduction schedule listed below. In this regard, Brazil will reduce the national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

Year	ODP tonnes
2006	84.0
2007	0.0

Note: A total of 134.6 ODP tonnes of MB will be eliminated in 2005.

4. The Government of Brazil 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 MB consumption of controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. Funding disbursement for the project will be conditional upon that project achieving its milestones and the individual reduction schedule listed above. In case of unjustified delays, UNIDO and the Government of Spain will inform the Executive Committee and will cancel any further release of funds until all problems are solved and the schedule is brought back on track. If unjustified delays continue, the projects may be cancelled.

6. The Government of Brazil, in agreement with UNIDO and the Government of Spain will have the flexibility in organizing and implementing all project components which it deems more important in order to meet MB phase-out commitments noted above. UNIDO and the Government of Spain agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. UNIDO and the Government of Spain shall report back to the Executive Committee annually on the progress in meeting the reductions required by this project.

Annex VII

AGREEMENT BETWEEN EGYPT AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE-DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Egypt (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances set out in Appendix 1-A (“The Substances”) prior to 2010, 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 (“The Targets, and Funding”) 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.
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 9 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 (“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 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of the Target has been independently verified as described in paragraph 9; and
 - (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 subsector:

- (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 cases 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 (“Lead IA”). The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. 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 with the fees set out in row 10 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 exceeding the Maximum Allowable Total Consumption of CFCs limit (Appendix 2-A) 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 to facilitate implementation of this Agreement. In particular, it will provide access to the Lead 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

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

Annex	Group	Chemical
A	1	CFCs

APPENDIX 2-A THE TARGETS, AND FUNDING

	2004	2005	2006	2007	2008	2009	2010	Total
Montreal Protocol Reduction Schedule (ODP tonnes)	1,668	834	834	250	250	250	0	n.a.
1. Max allowable total consumption of CFCs (ODP tonnes)	1,047	822	595	240	113	49	0	n.a.
2. Reduction from on-going projects (ODP tonnes)	-	35	19	27	23	25	0	129
3. New reduction under plan (ODP tonnes)	40	150	182	100	41	24	0	537
4. Reduction through institutional measures (ODP tonnes)	185	42	0	0	0	0	0	227
5. Unfunded phase out (MDI)	0	0	154	0	0	0	0	154
6. Total annual reduction (ODP tonnes)	225	227	355	127	64	49	0	1,047
7. Lead IA agreed funding (US \$)	0	1,000,000	1,200,000	600,000	200,000	100,000	0	3,100,000
8. Lead IA support costs (US \$)	0	75,000	90,000	45,000	15,000	7,500	0	232,500
9. Total agreed funding (US \$)	0	1,000,000	1,200,000	600,000	200,000	100,000	0	3,100,000
10. Total agency support costs (US \$)	0	75,000	90,000	45,000	15,000	7,500	0	232,500
11. Total agreed grant for tranche (US\$)	0	1,075,000	1,290,000	645,000	215,000	107,500	0	3,332,500

APPENDIX 3-A FUNDING APPROVAL SCHEDULE

1. Funding other than the payments in 2005, will be considered for approval at the last meeting of the year of the annual implementation plan.

APPENDIX 4-A FORMAT FOR ANNUAL IMPLEMENTATION PROGRAMMES

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**

Target:	Reduction of		
Indicators	Preceding Year	Year of Plan	Reduction
Supply of ODS	Import		
	Production*		
	Total (1)		
Demand of ODS	Manufacturing		
	Servicing		
	Stockpiling		
	Total (2)		

* 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)
Manufacturing						
Aerosol						
Foam						
Refrigeration						
Solvents						
Other						
Total						
Servicing						
Refrigeration						
Total						
GRAND TOTAL						

4. **Technical Assistance**

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. **Government Action**

Policy/Activity Planned	Schedule of Implementation
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. Annual Budget

Activity	Planned Expenditures (US \$)
TOTAL	

7. Administrative Fees

APPENDIX 5-A MONITORING INSTITUTIONS AND ROLES

1. The overall management of the plan will be carried out by the Government of Egypt with the assistance of UNIDO.
2. The Ozone Unit will be responsible for monitoring the implementation of the phase-out plan. The Ozone Unit - EEAA will be responsible for tracking the promulgation and enforcement of policy and legislation and will assist UNIDO with the preparation of annual implementation plans and progress report for the consideration of the Executive Committee.
3. The implementation of the phase-out plan will need to be closely aligned and coordinated with the various policy, regulatory, fiscal, awareness and capacity-building actions, which the Government of Egypt is taking, to ensure that the implementation is consistent with its priorities.
4. The phase-out plan for the entire refrigeration sector will be managed by a dedicated team, consisting of a coordinator to be designated by the Government and supported by the implementing agency. The policy and management support component of the phase-out plan will include the following activities for the duration of the plan:
 - (a) Management and co-ordination of the implementation with the various Government policy actions pertaining to the refrigeration sector;
 - (b) Establishment of a policy development and enforcement programme, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to exercise the required mandates in order to ensure compliance by industry with the phase-out obligations;
 - (c) Development and implementation of training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the objectives and obligations;
 - (d) Awareness creation of the phase-out plan and the Government initiatives in the refrigeration sector among consumers and public, through workshops, media publicity and other information dissemination measures;

- (e) Preparation of annual implementation plans including determining the sequence of enterprise participation in planned sub-projects;
 - (f) Verification of ODS phase-out in completed sub-projects within the plan through plant visits and performance auditing;
 - (g) Establishment and operation of a reporting system of usage of ODS/substitutes by users;
 - (h) Reporting of implementation progress of the plan for the annual performance-based disbursement;
 - (i) Establishment and operation of a decentralized mechanism for monitoring and evaluation of outputs, in association with provincial regulatory environmental bodies to ensure sustainability; and
 - (j) Assisting in conducting an independent verification audit of ODS use in the country.
5. For the implementation of refrigeration-servicing sector activities, the Ozone Unit will be responsible for the national coordination of the entire programme and for setting up an appropriate local coordination network.
6. The following activities are envisaged and are requirements for the coordination:
- (a) Reassessment and analysis of the sector after the approval of the National CFC phase-out plan (NPP);
 - (b) Determination of the specification of equipment to be provided by the NPP;
 - (c) Awareness promotion at the regional level;
 - (d) Ongoing monitoring of technical training including number of trainers and trainees and status of certification;
 - (e) Development of business criteria for refrigerant recycling centres; and
 - (f) Selecting service workshops for recovery and recycling equipment.
7. Non-recyclable refrigerants should be kept for further treatment at the proper site.
8. The Ozone unit under the general guidance of UNIDO will monitor the consumption data of all ODS through regional teams. Inspections at reconverted companies are foreseen to ensure that CFCs are not used after project completion. The licensing system will be a tool to monitor and ensure compliance of control measures.

9. The Government has offered and intends to provide ongoing activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Egypt.

10. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project was successfully implemented and to confirm that the target CFC phase out was achieved.

11. Monitoring activity by the designated authority (e.g. Ozone Office, government agency, local environment institute) will be performed by:

- (a) Establishing a system to ensure with the counterpart institute, that every recycling centre and 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 completed by recycling centres and service workshops;
- (b) Setting up adequate office facilities including a computer system to collect and analyze the data;
- (c) Regular communication with the counterpart institute;
- (d) Occasional visits to workshops and recycling centres; and
- (e) Regular communication with customs offices.

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 its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Providing independent 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;
- (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 Target;
- (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 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 \$ 5,000 per ODP tonne of reductions in consumption not achieved in the year.

Annex VIII

FINAL DRAFT

**AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME
AS THE TREASURER OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED
NATIONS DEVELOPMENT PROGRAMME (“UNDP”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNDP has agreed to provide for the establishment of accounts to be constituted by the funds provided to UNDP in accordance with the Agreement concluded on 19 June 1991 and 21 August 1991 as amended on 31 July 1998 and 14 August 1998 respectively between the Executive Committee of the Multilateral Fund and UNDP, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNDP have agreed on the administrative arrangements and procedures covering UNDP involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNDP to enable UNDP to administer and manage projects and activities approved by the Executive Committee for implementation by UNDP;

NOW THEREFORE, UNDP and the Treasurer hereby agree as follows:

Article I

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNDP, to the UNDP bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNDP, and the income from investments will be added to the resources held.

Article II

- 2.1 The accounts of the Fund will be administered by UNDP in accordance with the Financial Regulations and Rules of UNDP.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNDP.

Article III

- 3.1 UNDP will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNDP.
- 3.2 In line with the terms of Articles 1 and 2 of the 1998 Amendment to the 1991 Agreement between the Executive Committee and UNDP, UNDP will not make commitments before the receipt of funds or in the case of Promissory Notes before receipt of written confirmation from the Treasurer.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNDP will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNDP may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNDP will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

Article IV

- 4.1 UNDP will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNDP and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNDP will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNDP.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNDP a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNDP. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNDP will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNDP to the Fund or used as the Executive Committee and UNDP may jointly determine.

Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

For UNDP

Name:
Functional Title:
Place of signature:
Date:

For UNEP as Treasurer

Name:
Functional Title:
Place of signature:
Date:

Annex IX

FINAL DRAFT

**AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME
AS THE TREASURER OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED
NATIONS ENVIRONMENT PROGRAMME (“UNEP”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNEP has decided to provide for the establishment of accounts to be constituted by the funds provided to UNEP as Implementing Agency pursuant to the agreements between UNEP and the Executive Committee, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNEP have agreed on the administrative arrangements and procedures covering UNEP involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNEP to enable UNEP to administer and manage projects and activities approved by the Executive Committee for implementation by UNEP;

NOW THEREFORE, UNEP and the Treasurer hereby agree as follows:

Article I

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNEP, to the UNEP bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNEP, and the income from investments will be added to the resources held.

Article II

- 2.1 The accounts of the Fund will be administered by UNEP in accordance with the Financial Regulations and Rules of UNEP.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNEP.

Article III

- 3.1 UNEP will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNEP.
- 3.2 UNEP will make no commitments for financing before the receipt of funds in the accounts.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNEP will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNEP may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNEP will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

Article IV

- 4.1 UNEP will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNEP and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNEP will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNEP.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNEP a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNEP. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNEP will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNEP to the Fund or used as the Executive Committee and UNEP may jointly determine.

Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

For UNEP as Implementing Agency

Name:
Functional Title:
Place of signature:
Date:

For UNEP as Treasurer

Name:
Functional Title:
Place of signature:
Date:

Annex X

FINAL DRAFT

**AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME
AS THE TREASURER OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE UNITED
NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION (“UNIDO”)**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties through an Executive Committee to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of specific operational policies, guidelines and administrative arrangements including the disbursement of resources for the purpose of achieving the objectives of the Fund with the co-operation and assistance of the World Bank (“Bank”), the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS UNIDO has agreed to provide for the establishment of accounts to be constituted by the funds provided to UNIDO in accordance with the Agreement concluded on 19 June 1991 and 21 August 1991 as amended on 31 July 1998 and 14 August 1998 respectively between the Executive Committee of the Multilateral Fund and UNIDO, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and UNIDO have agreed on the administrative arrangements and procedures covering UNIDO involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to UNIDO to enable UNIDO to administer and manage projects and activities approved by the Executive Committee for implementation by UNIDO;

NOW THEREFORE, UNIDO and the Treasurer hereby agree as follows:

Article I

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee, in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by UNIDO, to the UNIDO bank account.
- 1.2 Funds held in the account and not immediately required will be invested in accordance with the regular practice of UNIDO, and the income from investments will be added to the resources held.

Article II

- 2.1 The accounts of the Fund will be administered by UNIDO in accordance with the Financial Regulations and Rules of UNIDO.
- 2.2 Project management and expenditures will be governed by the Financial Regulations and Rules of UNIDO.

Article III

- 3.1 UNIDO will provide financing from the accounts for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by UNIDO.
- 3.2 UNIDO will make commitments for financing under these arrangements before the receipt of funds in the accounts and in line with the terms of Articles 1 and 2 of the 1998 Amendment to 1992 Agreement between the Executive Committee and UNIDO.
- 3.3 Notwithstanding the completion of projects financed from the accounts, UNIDO will continue to hold all unutilized resources in the accounts until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and UNIDO may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities UNIDO will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

Article IV

- 4.1 UNIDO will provide the Treasurer with an annual provisional financial statement in the format agreed by all the implementing agencies. The provisional financial statement should be duly signed by an authorized official of UNIDO and should reach the Treasurer by 31 January of the following year to allow for the timely compilation of the annual accounts of the Fund.
- 4.2 UNIDO will provide the Treasurer by 30 September with a certified annual statement or audited biennial statement of income and expenditure for the previous year, including any pertinent comments made by the Auditors. In addition, the Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.3 Financial statements submitted to the Treasurer in accordance with paragraph 4.2 above will be audited in accordance with the audit rules and procedures of UNIDO.
- 4.4 The Treasurer will maintain and after each meeting of the Executive Committee of the Multilateral Fund distribute to UNIDO a year-to-date payment ledger for the purposes of reconciliation of accounts.
- 4.5 The Treasurer will manage a transparent system for the issuance and encashment of Promissory Notes, in accordance with predetermined schedules or as funds are needed by UNIDO. The Treasurer will circulate annually, the ledger on Promissory Notes for the purpose of the reconciliation of the accounts.
- 4.6 The accounts of the Fund maintained by the Treasurer will be subject solely to the Internal and External Audit of the United Nations.

Article V

- 5.1 These arrangements will remain in force until such time as either party agrees to terminate the Agreement. Should one party wish to terminate these arrangements, such termination notice will be given 180 days prior to its intended termination.
- 5.2 Notwithstanding the termination of this Agreement, UNIDO will continue to hold unutilized funds and interest income earned thereon until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by UNIDO to the Fund or used as the Executive Committee and UNIDO may jointly determine.

Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. The Agreement may be modified only by written agreement between the signatories.

For UNIDO

Name:
Functional Title:
Place of signature:
Date:

For UNEP as Treasurer

Name:
Functional Title:
Place of signature:
Date:

Annex XI

FINAL DRAFT

**AGREEMENT BETWEEN THE UNITED NATIONS ENVIRONMENT PROGRAMME
AS THE TREASURER OF THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL AND THE
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT AS
TRUSTEE OF THE OZONE PROJECTS TRUST FUND**

WHEREAS the Parties to the Montreal Protocol on Substances that Deplete the Ozone Layer (“Protocol”) to the Vienna Convention for the Protection of the Ozone Layer (“Parties”) have established the Multilateral Fund for the Implementation of the Montreal Protocol (“Fund”) to operate under the authority of the Parties to provide the financing of agreed incremental costs to enable Parties operating under paragraph 1 of article 5 of the Protocol to comply with the control measures of the Protocol;

WHEREAS the Parties established an Executive Committee to develop and monitor the implementation of administrative arrangements for the purposes of achieving the objectives of the Fund with the co-operation and assistance of the International Bank for Reconstruction and Development (“Bank”) the United Nations Environment Programme (“UNEP”), the United Nations Industrial Development Organization (“UNIDO”) and the United Nations Development Programme (“UNDP”);

WHEREAS at the request of the Parties, the Fund was established in accordance with the Financial Regulations and Rules of the United Nations;

WHEREAS by decision of the Executive Committee, UNEP has been appointed as Treasurer of the Fund;

WHEREAS the roles and responsibilities of the Treasurer have been set out in the 2004 revised Agreement between the Executive Committee and UNEP as the Treasurer of the Fund;

WHEREAS the Bank has decided to provide for the establishment of the Ozone Projects Trust Fund (“OTF”) constituted by the funds provided to the Bank pursuant to the agreements between the Bank and the Executive Committee, together with any other assets and receipts received for the benefit of the Parties;

WHEREAS the Executive Committee and the Bank have agreed on the administrative arrangements and procedures covering the Bank’s involvement in the implementation of the work programme of the Fund, pursuant to which the Treasurer will transfer funds to the OTF to enable the Bank to administer and manage the Bank’s projects and activities approved by the Executive Committee for implementation by the Bank;

NOW THEREFORE, the Bank and the Treasurer hereby agree as follows:

Article I

- 1.1 The Treasurer shall transfer the amounts approved by the Executive Committee (the “Contributions”), in advance of the implementation of planned projects and activities approved by the Executive Committee for implementation by the Bank into the following account of the Bank, under reference to “Ozone Projects Trust Fund, Project Number TF20075”:

Wachovia Bank, NA, New York
11 Penn Plaza
Floor 4
New York, NY 10038

Account Number: 2000192003489
Swift Bic Code: PNBUS3NNYC
Internal Route Code: PNBPNY
Fed ABA Number: 026005092.

- 1.2 Funds held in the OTF and not immediately required will be invested in accordance with the regular practice of the Bank, and the income from investments will be added to the resources of the OTF.

Article II

- 2.1 The OTF will be administered by the Bank in accordance with the Operational Policies and Procedures of the Bank.
- 2.2 Project management and expenditures will be governed by the Operational Policies and Procedures of the Bank.

Article III

- 3.1 The Bank as trustee of the OTF will provide financing from the OTF for the purpose of meeting the costs of the projects and activities approved by the Executive Committee for implementation by the Bank.
- 3.2 The Bank as trustee of the OTF will make no commitments for financing under these arrangements before the receipt of funds in the OTF.

- 3.3 Notwithstanding the completion of projects financed from the OTF, the Bank will continue to hold all unutilized resources in the OTF until all commitments and liabilities in the implementation of these projects have been satisfied and project activities have been brought to an orderly conclusion. Any resources that remain unexpended after such commitments and liabilities have been satisfied will be transferred back to the Fund or used as the Executive Committee and the Bank may jointly determine.
- 3.4 If the unutilized resources prove insufficient to meet such commitments and liabilities the Bank will consult with the Chief Officer of the Fund Secretariat and the Executive Committee on the manner in which such commitments and liabilities may be satisfied.

Article IV

- 4.1 The Bank will maintain separate records and ledger accounts in respect of the Contributions and the disbursements thereof. The Bank will prepare, on a cash basis, an unaudited statement of receipts, disbursements and fund balance with respect to the OTF and forward a copy to the Treasurer by 31 January. The statement will be expressed in United States dollars, the currency in which the Bank will maintain the funds. The Treasurer will at the same time be provided with the financial statement in the format agreed by all the implementing agencies.
- 4.2 The Bank will annually provide the Treasurer by 30 September with a management assertion, together with an attestation from the Bank's external auditors concerning the adequacy of internal control over cash-based financial reporting for trust funds as a whole. The costs of such attestations will be borne by the Bank. The Treasurer will be provided with the same statement in a format agreed by all implementing agencies.
- 4.3 The Bank will cause a financial statement audit of the OTF to be performed by the Bank's external auditors annually and upon completion, the costs of such an audit, including the internal costs of the Bank with respect to such an audit, will be charged to the OTF. The Bank will provide the Treasurer with a copy of the auditors' report. In the event that there are insufficient funds in the OTF to conduct such audits, the World Bank should notify the Executive Committee of the shortfall. Subject to approval by the Executive Committee, the Treasurer shall pay-in such a shortfall as instructed by the Executive Committee. In addition, if the Treasurer wishes to request, on an exceptional basis, a financial statement audit by the Bank's external auditors of the OTF at a more frequent interval, the Treasurer and the Bank will first consult as to whether such an external audit is necessary. The Bank and the Treasurer will agree on the most appropriate scope and terms of reference of such audit. Following agreement on the scope and terms of reference, the Bank will arrange for such external audit. The costs of any such audit, including the internal costs of the Bank with respect to such audit, will be paid by the Fund after approval by the Executive Committee.

- 4.4 The Treasurer will manage a transparent system for the issuance and encashment of promissory notes, in accordance with predetermined schedules or as funds are needed by the Bank. The Treasurer will circulate annually, the ledger on promissory notes for the purpose of the reconciliation of the accounts.
- 4.5 The Treasurer's accounts of the Fund will be subject solely to the Internal and External Audit of the United Nations.

Article V

- 5.1 These arrangements will remain in force until such time as either party decides to terminate them. Should one party wish to terminate these arrangements, such termination notice will be given 30 days prior to its intended termination.
- 5.2 Notwithstanding termination of this Agreement, the Bank will continue to hold unutilized funds and interest earned by the OTF until all commitments and liabilities incurred in the implementation of activities approved by the Executive Committee have been satisfied and activities have been brought to an orderly conclusion.
- 5.3 Any funds that remain after such commitments and liabilities have been satisfied will be transferred by the Bank to the Fund.

Article VI

- 6.1 This Agreement shall enter into force on the date of the last signature by the authorized representatives of the signatories. This Agreement may be modified only by written agreement between the signatories hereto.

For the Bank
as trustee of the Ozone Projects Trust Fund

Name:
Functional Title:
Place of signature:
Date:

For UNEP as Treasurer

Name:
Functional Title:
Place of signature:
Date:

Annex XII

PROPOSAL OF THE GOVERNMENTS OF AUSTRIA AND JAPAN ON COLLECTION, RECOVERY, RECYCLING, TRANSPORTATION AND DESTRUCTION OF OZONE-DEPLETING SUBSTANCES

1. The Governments of Austria and Japan recommended that the Executive Committee request the Secretariat to undertake a study with the aim of providing information and recommendations on collection and disposal/destruction of redundant ozone-depleting substances (ODS) with special attention to the following aspects:

- (a) Actual current need of collection and disposal of unwanted and/or non-reusable ODS taking into account existing reclamation capacity and possibility to reuse ODS in other countries with remaining demand;
- (b) Possible synergies with global need to handle and dispose persistent organic pollutants and hazardous wastes, as covered by the Stockholm and Basel Conventions;
- (c) Possible options and related costs associated with measures against unwanted and/or non-reusable ODS, both from diluted and concentrated sources, including construction and operations of such hazardous waste destruction facility and use of existing facility and establishment of regional management capacity;
- (d) Options on how to ensure that destruction does not result in additional production or imports of ODS;
- (e) Existing global capacity for disposal of waste ODS taking into account acceptance of ODS import for the purpose of destruction;
- (f) Key measures that would be needed to ensure sustainability of initiatives/investments to handle ODS based upon normal market business models.

Annex XIII

GUIDELINES FOR THE VERIFICATION OF NATIONAL CONSUMPTION TARGETS OF MULTI-YEAR AGREEMENTS (MYAS)

Introduction

1. Since 1999, multi-year agreements have become a predominant funding modality of the Multilateral Fund to assist Article 5 countries in achieving the ODS phase out targets under the Montreal Protocol. Under these agreements, the responsible implementing agencies are required to submit a verification report on the achievement of the ODS reduction targets specified in the agreements as a prerequisite for the release of the next tranche of funds. The guidelines below are intended to achieve consistency and uniformity in the methodology for carrying out these verifications. They cover, among other things, data requirement and the procedure to be followed in carrying out the verification.

Guidelines for verification of national consumption targets of the MYAs

Purpose

2. The purpose of the guidelines is to provide guidance for conducting verification of the national consumption targets of the MYAs, bearing in mind the specific reporting requirements in each of these agreements.

Applicability

3. These guidelines are intended for the verification of national consumption targets of multi-year agreements for CFCs, halons, CTC, TCA, and methyl bromide. They do not apply to ODS production sector phase out agreements which are governed by guidelines approved by the Executive Committee in the year 2000; sectorial plans may require additional verification procedures at the sectorial level.

Basis for verification of the national consumption targets of the MYAs

4. Since the MYAs define their achievement targets in annual national maximum allowable consumption of an ODS, the verification of the national consumption targets of the MYAs should use the Montreal Protocol definition of consumption as the basis for the verification of the achievement of the targets (i.e. consumption = production+imports-exports). For those Article 5 countries which do not produce the ODS, the formula can be simplified to be consumption equals imports (minus exports where appropriate). For those countries where ODS is produced, the verification of consumption should include the verification of production which was conducted following the guidelines approved at the Executive Committee's thirty second meeting. Imports and exports should be verified using the criteria defined herein.

Procedure for the verification

5. The verification should review national legislation, policies and procedures on ODS imports/exports, such as,

- (a) Channel of communication between Government (the licensing authority) and customs;
- (b) Authorized list of importers/exporters and, where available, distributors;
- (c) Conditions of issuing licenses;
- (d) Administrative procedures and documentation;
- (e) System of monitoring and reporting on exports of ODS;
- (f) Sanctions or penalties to be imposed on violation of legal regulation;
- (g) Mechanisms and capacity for prosecution and enforcement
- (f) National system of harmonized custom codes in order to identify ODSs and ODS mixtures;
- (g) Procedures to be applied in case of suspicious shipments;
- (h) Sampling or other identification methods used.

6. The verification should review official statistics on imports/exports: compare quotas issued versus actual quotas used.

7. The verification should review a representative sample of reports from importers/exporters, and where available of distributors.

8. The verification should review the follow up on the recommendations from previous verifications.

9. The verification should conclude the exercise by discussing conclusions and recommendations.

Data needed for the verification

10. The following information should be available for the purpose of the verification:

- (a) List of authorized importers/exporters, and where available, distributors;
- (b) ODS imports quotas and exports license issued;
- (c) Actual ODS imports and exports;

- (d) National policies and procedures on ODS imports and exports;
- (e) Government enforcement structure for ODS imports and exports;
- (f) Documents such as licenses, trade names, code numbers, labelling, etc, to be presented to customs by importers and exporters of ODS.

Verification document

11. The final verification document should:

- (a) describe the detailed steps and procedures taken to conduct the verification.
- (b) summarize all aspects of national legislation, policies and procedures designed to ensure achievement of the consumption targets in the multi-year agreement.
- (c) provide detailed data demonstrating and confirming that the consumption target in the multi-year agreement was achieved.

Institution/Consultant to conduct the verification

12. The choice of the institution/consultant to conduct the verification should generate a reasonable level of confidence that there is no conflict of interest in the process and that the results of the verification are independent and objective.

13. The selection of the candidates for the verification should be made by the responsible implementing agency in consultation with the country concerned. The final selection of the institution/consultant should follow the rules and procedures of the contractor.

Annex XIV
REVISED COUNTRY PROGRAMME REPORT FORMAT

COUNTRY: XXXXXXXXX

YEAR: January to December of the year

YYYYYYYYYY

A. Data on Controlled Substances (in METRIC TONNES)

NOTE: Data entry is required in UNSHADED cells only

Substance ¹	Consumption by Sector												TOTAL	Import	Export ²	Production ²	
	Aerosol	Foam	Fire Fighting	Refrigeration		Solvent	Process agent	MDI	Lab Use	Methyl bromide*		Tobacco fluffing					
				Manufacturing	Servicing					QPS	Non-QPS						
Annex A, Group I																	
CFC-11																	0.00
CFC-12																	0.00
CFC-113																	0.00
CFC-114																	0.00
CFC-115																	0.00
Sub-Total	0.00	0.00		0.00	0.00	0.00	0.00	0.00	0.00				0.00			0.00	0.00
Annex A, Group II																	
Halon 1211																	0.00
Halon 1301																	0.00
Halon 2402																	0.00
Sub-Total			0.00													0.00	0.00
Annex B, Group II																	
Carbon tetrachloride																	0.00
Sub-Total						0.00	0.00		0.00							0.00	0.00
Annex B, Group III																	
Methyl chloroform																	0.00
Sub-Total						0.00	0.00		0.00							0.00	0.00
Annex C, Group I																	
HCFC-22																	0.00
HCFC-141b																	0.00
HCFC-142b																	0.00
HCFC-123																	0.00
Other ³																	0.00
Sub-Total		0.00	0.00	0.00	0.00											0.00	0.00
Annex E																	
Methyl bromide																	0.00
Sub-Total										0.00	0.00					0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

* QPS = Quarantine and pre-shipment; Non-QPS = Non-quarantine and pre-shipment.

1 Where the data involves a blend of two or more substances, the quantities of individual components of controlled substances must be indicated separately, e.g.: For R502 consisting of 51.2% CFC-115 and 48.8% HCFC-22, indicate the total quantity of each controlled substance (i.e., CFC-115 and HCFC-22) in the appropriate row.

2 Where applicable.

3 Indicate relevant controlled substances.

XXXXXXXXXX

B. Regulatory, administrative and supportive actions

TYPE OF ACTION / LEGISLATION		Ongoing (Yes/No)	Since when (Date)
1.	REGULATIONS:		
1.1	<i>Establishing general guidelines to control import (production and export) of ODSs</i>		
1.1.1	ODS import/export licensing or permit system in place for import of bulk ODSs		
1.1.2	Regulatory procedures for ODS data collection and reporting in place		
1.1.3	Requiring permits for import or sale of bulk ODSs		
1.1.4	Quota system in place for import of bulk ODSs		
1.2	<i>Banning import or sale of bulk quantities of:</i>		
1.2.1	CFCs		
1.2.2	Halons		
1.2.3	Other ODSs (CTC, TCA, methyl bromide)		
1.3	<i>Banning import or sale of:</i>		
1.3.1	Used domestic refrigerators or freezers using CFC		
1.3.2	MAC systems using CFC		
1.3.3	Air conditioners and chillers using CFC		
1.3.4	CFC-containing aerosols except for metered dose inhalers		
1.3.5	Use of CFC in production of some or all types of foam		
1.4	<i>Training and certification programmes</i>		
1.4.1	Requiring training of customs officers		
1.4.2	Requiring training of refrigeration service technicians		
1.4.3	Requiring certification of refrigeration service technicians		
1.4.4	System for monitoring and evaluation of training programmes		
1.5	<i>Recovery and recycling of CFCs</i>		
1.5.1	Mandatory recovery and recycling of CFCs		
1.5.2	Monitoring system for reporting on recovered and recycled CFCs		
1.6	<i>Other regulations (please specify)</i>		
1.6.1			
1.6.2			
2.	ENFORCEMENT OF ODS IMPORT CONTROLS		
2.1	Registration of ODS importers (Yes/No)		
2.2	A shared database on import quotas and actual imports between ozone office and customs (Yes/No)		
2.3	Number of instances of unauthorized ODS imports stopped		
2.4	Estimated quantity (in metric tonnes) and origin of unauthorized ODS imports (country)		

XXXXXXXXXX

C. Quantitative assessment of the phase-out programme

Description	Quantity/Unit
Import quotas/licenses issued (metric tonnes)	
CFC-11	
CFC-12	
CFC-113	
CFC-114	
CFC-115	
Halon 1211	
Halon 1301	
Carbon tetrachloride	
Methyl chloroform	
Methyl bromide	
HCFC-22	
HCFC-141b	
Export quotas/licenses issued (metric tonnes)	
CFC-11	
CFC-12	
CFC-113	
CFC-114	
CFC-115	
Halon 1211	
Halon 1301	
Carbon tetrachloride	
Methyl chloroform	
Methyl bromide	
HCFC-22	
HCFC-141b	
Average estimated retail price of ODS/substitutes (US\$/kg)	
CFC-11	
CFC-12	
CFC-113	
CFC-114	
CFC-115	
R-502	
HCFC-22	
HFC-134a (Optional)	
Training programmes	
Number of trainers for customs	
Number of customs officers trained	
Number of trainers for technicians	
Number of technicians trained	
Number of technicians certified	
Recovery/recycling/reused (metric tonnes where applicable)	
Estimated CFC-11 recovered with equipment funded by Multilateral Fund	
Estimated CFC-11 reused with equipment funded by Multilateral Fund	
Estimated CFC-12 recovered with equipment funded by Multilateral Fund	
Estimated CFC-12 reused with equipment funded by Multilateral Fund	
Number of funded recovery machines in operation	
Number of funded recycling machines in operation	
Number of funded end-users converted	
Number of funded end-users retrofitted	

D. Qualitative assessment of the operation of RMP

1. Is the RMP and its components (recovery and recycling programmes, training of technicians and customs, and legislation) proceeding as scheduled:

- Yes
- No

If not, please specify milestones and completion dates with delays, and explain reasons for the delay and measures taken to overcome the problems: _____

2. The ODS import licensing scheme functions:

- Very well
- Satisfactorily
- Not so well

Please specify problems encountered: _____

3. The CFC recovery and recycling programme functions:

- Very well
- Satisfactorily
- Not so well

Please specify problems encountered: _____

4. The RMP will enable the Government to achieve:

- the 50% CFC reduction target in 2005
- the 85% CFC reduction target in 2007
- the complete phase-out of CFC in 2010

5. Additional measures that are needed and planned to assist in the implementation of the RMP and to achieve compliance:

E. Comment by bilateral/implementing agency(ies)

