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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-seventh Meeting  
Montreal, 21-25 November 2005

**PROVISIONAL ANNOTATED AGENDA**

**1. Opening of the meeting**

Opening remarks by the Chairperson of the Executive Committee.

**2. Organizational matters:**

**(a) Adoption of the agenda**

Document UNEP/OzL.Pro/ExCom/47/1: contains the Provisional Agenda for the 47<sup>th</sup> Meeting of the Executive Committee.

Action expected from the Executive Committee: the Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/47/1.

**(b) Organization of work**

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

**3. Secretariat activities**

Document UNEP/OzL.Pro/ExCom/47/2: presents a report on the activities of the Secretariat since the 46<sup>th</sup> Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 46<sup>th</sup> Meeting, and the preparations for the 47<sup>th</sup> Meeting, as well as information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this period of time.

Pre-session documents of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol are without prejudice to any decision that the Executive Committee might take following issue of the document.

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

Issues to be addressed: none.

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

#### **4. Status of contributions and disbursements**

Document UNEP/OzL.Pro/ExCom/47/3: provides information on the status of the Fund as at 17 October 2005 as recorded by the Treasurer. As of that date, the Fund's balance stands at US \$114,391,141, after taking into account all the funds approved by the Executive Committee, up to and including those approved at the 46<sup>th</sup> Meeting. The Fund's balance has been updated by the Treasurer to reflect new contributions made by the Parties. It also provides updated information on the gains and losses in the fixed exchange rate mechanism and provides information of promissory note transfers, receipts and encashments as a follow-up to decision 45/59 f (i). It presents aggregate information on the triennium 2003-2005 as it relates to the status of contribution and disbursements, interest accrued and gains/losses of the FERM.

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

#### **5. Status of resources and planning:**

##### **(a) Report on balances and availability of resources**

Document UNEP/OzL.Pro/ExCom/47/4: contains the submissions of the implementing agencies on completed projects with balances, the return of funds from cancelled projects, and other project adjustments.

Issues to be addressed:

- Implementing agencies are returning US \$913,399 plus US \$113,555 in agency fees;
- Total funds returned by the multilateral and bilateral implementing agencies during 2003-2005 triennium; and
- Total resources available for the 47<sup>th</sup> Meeting.

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

1. Note the report on balances and availability of resources contained in UNEP/OzL.Pro/ExCom/47/4.
2. Note the net level of funds being returned by the multilateral implementing agencies to the 47<sup>th</sup> Meeting against project balances totalling US \$913,399 that includes the return of US \$579,606 from UNDP, US \$229,269 from UNIDO; and US \$104,524 from the World Bank.

3. Note the net level of support costs being returned by the multilateral implementing agencies to the 47<sup>th</sup> Meeting against project support cost balances totalling US \$113,555 that includes the return of US \$74,706 from UNDP, US \$25,811 from UNIDO; and US \$13,038 from the World Bank.
4. Note that implementing agencies had balances totalling US \$2,891,059 excluding support costs from projects completed over two years ago: UNDP--US \$994,163 plus support costs; UNEP--US \$47,062 plus support cost; UNIDO--US \$119,077 plus support cost; and the World Bank--US \$1,730,757 plus support costs.
5. Note that US \$25.2 million was returned by the implementing agencies in 2003-2005 including funds returned by bilateral agencies for projects approved during the triennium.
6. Note that US \$115,418,095 (to be updated at the meeting) was available to the Executive Committee for approvals at the 47<sup>th</sup> Meeting.

**(b) 2005 business plans**

Document UNEP/OzL.Pro/ExCom/47/5/Rev.1 and Corr.1: considers business planning in the light of the submissions to the 47<sup>th</sup> Meeting.

Issues to be addressed:

- Remaining projects in the 2005 business plan not submitted to the 47<sup>th</sup> Meeting and their impact on compliance;
- Accuracy of planned submissions and their values; and
- Countries to be addressed and activities required for compliance to be included in the 2006-2008 business plans.

It highlights those projects in the business plans that have not been submitted. It specifies which of these projects are required for compliance as well as those activities that may be needed to assist those countries for whom decisions have been taken by the Meeting of the Parties on compliance.

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

1. Noting the report on the status of the 2005 business plans as contained in UNEP/OzL.Pro/ExCom/47/5/Rev.1 and Corr.1 and the fact that US \$28.7 million in activities that were required for compliance were not submitted to the 47<sup>th</sup> Meeting and that the value of forward commitments approved at the 47<sup>th</sup> Meeting [exceeds/is below] the value in the 2005-2007 business plan of the Multilateral Fund by US \$[to be provided based on actual approvals].
2. Requesting bilateral and multilateral implementing agencies with projects in the 2005 business plans that are required for compliance to consider including these activities in

their 2006-2008 business plans and to endeavour to improve their performance with regard to the accuracy of planned submissions and their values.

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

Document UNEP/OzL.Pro/ExCom/47/6 and Add.1: contains three parts. Part I is prepared in response to decisions and 32/76(b) and 46/4 and presents an analysis of the status of compliance of all Article 5 countries for CFCs, halons, methyl bromide, carbon tetrachloride (CTC) and methyl chloroform (TCA). Part II contains an update of the status of implementation of projects for all Article 5 countries that have been found to be in non-compliance by the Meeting of the Parties or that are at risk of non-compliance. Part III contains an analysis by sector of the ODS consumption data submitted by Article 5 countries to the Executive Committee in their reports on the implementation of their country programmes and assessments of ODS phase-out programmes.

Issues to be addressed:

- Revised format of Part I along with the associated data tables in response to decision 46/4 ;
- Status of compliance, status of implementation of ongoing projects and data on the implementation of country programmes;
- Implementation of the new country programme database and assessments of ODS phase-out programmes; and
- Countries for which decisions/recommendations were taken concerning compliance.

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

1. Note the report on the status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol as contained in UNEP/OzL.Pro/ExCom/47/6 and Add.1.
2. Request bilateral and implementing agencies to include phase-out activities, where appropriate, for eligible consumption in their 2006-2008 business plans for the following countries for which no project preparation has been approved in line with decisions of the Parties and the Executive Committee:
  - (a) For CFCs: Somalia when conditions for sustainable activities exist;
  - (b) For halon: Romania and Sierra Leone;
  - (c) For methyl bromide: Armenia and South Africa; and
  - (d) For CTC: Nepal, Sierra Leone and Zimbabwe.

**(d) Model rolling three-year phase out plan: 2006-2008 (follow-up to decision 44/5 (d)).**

Document UNEP/OzL.Pro/ExCom/47/7: contains the model rolling three year phase-out plan for the Multilateral Fund for the years 2006-2008. The paper includes an analysis of the amounts of ODS that need to be approved for funding to enable all Article 5 countries to achieve the 2005 and 2007 Montreal Protocol phase out targets, plus partial phase-out of the remaining ODS consumption to achieve the 2010 phase-out targets. The paper indicates the ODS to be phased out in Article 5 countries during the remainder of 2005 and between 2006 and 2008 in approved multi-year sectoral and national phase-out plans and individual and umbrella projects, and the number of RMPs and TPMPs under current implementation in low-volume consuming countries.

Issues to be addressed:

- The level of effort still required by both the Article 5 countries concerned and the implementing and bilateral agencies to implement the already approved reductions in ODS consumption and production (about 87,143 ODP tonnes of ODS consumption and 114,605 ODP tonnes of ODS production), noting that the additional amounts of ODS to be funded to enable compliance with the Protocol's phase-out targets should not be underestimated or overlooked; and
- The level of funding (some US \$7.2 million) associated with tranches of already approved phase-out projects that were not submitted for approval to the 47th Meeting.

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

1. Consider adopting the 2006-2008 model three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium;
  2. Urge Article 5 countries with approved but not implemented projects and the cooperating implementing and bilateral agencies to accelerate the pace of implementation during the 2006-2008 triennium;
  3. Urge bilateral and implementing agencies to work with those countries that have been identified as needing immediate assistance to achieve the 2007 and 2010 Protocol's phase-out targets and include activities in their 2006-2008 business plans as appropriate; and
  4. Request the Secretariat to present an updated Model three-year rolling phase-out plan 2007-2010 to the last meeting in 2006 to provide guidance as relevant for the preparation of the 2007-2009 business plan of the Multilateral Fund.
- 6. Programme implementation:**

**(a) 2005 consolidated project completion report**

Document UNEP/OzL.Pro/ExCom/47/8 and Add.1: provides the Executive Committee with an overview of the results reported in the project completion reports (PCR) received during the

reporting period, i.e. since the 44<sup>th</sup> Meeting in December 2004. This corresponds to decisions 23/8(i) and 26/11 of the Executive Committee requesting the Senior Monitoring and Evaluation Officer to present a consolidated PCR, after consultation with the implementing agencies, at the third meeting of each year.

Issues to be addressed:

- PCRs received and due;
- Content and quality;
- Lessons learned;
- Schedule for submission of PCRs in 2006; and
- Consistency of data reported in PCRs, the Inventory and annual progress reports.

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

1. Take note of the 2005 Consolidated Project Completion Report as included in UNEP/OzL.Pro/ExCom/47/8 and Add.1 including the schedule for submission of Project Completion Reports (PCRs) due.
2. Request implementing and bilateral agencies concerned:
  - (a) To establish by the end of January 2006, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs, in the Inventory and in the Annual Progress Reports;
  - (b) To provide, by the end of January 2006, the information still missing in a number of PCRs;
  - (c) To clear the backlog of PCRs for projects completed before the end of 2002 until the end of January 2006.
3. Urge the World Bank to make all necessary efforts to deliver the PCRs still scheduled to be provided in 2005.

**(b) Project implementation delays**

Document UNEP/OzL.Pro/ExCom/47/9: contains an assessment of progress on projects identified with implementation delays based on decisions taken at previous meetings of the Executive Committee. It addresses projects for which status reports were requested, considers 2004 progress report submissions for progress reports from two bilateral agencies, presents project proposed for possible cancellation and addresses the impact of delayed and cancelled project on compliance.

Issues to be addressed:

- Reports to be presented at the meeting by Canada on the national halon management and banking programme in India (IND/HAL/32/TAS/278 and 281), by Italy on Obod Elektroindustrija refrigeration project in Serbia and Montenegro (YUG/REF/34/INV/13) and by UNDP on the country programme update in Bangladesh (BGD/SEV/36/CPG/14).

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

1. Noting with appreciation the additional status reports and the reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan, Sweden and the four implementing agencies as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/47/9).
2. Noting the financially completion of the Mexican chiller project (MEX/REF/28/INV/95) implemented by the Government of United Kingdom.
3. Noting the 2004 progress report submitted by the Government of the United States of America on the acceleration of phase-out of CFC and halons in China (CPR/PR/45/INV/425).
4. Noting that the Secretariat and implementing agencies would take established actions according to the Secretariat's assessment of status, i.e., progress, some progress, or no progress, and report and notify governments and implementing agencies as required.
5. Noting the completion of 30 out of the 95 projects listed with implementation delays.
6. Noting that letters of possible cancellation should be sent for the following projects:

Agency	Code	Project Title
France	SYR/REF/29/INV/48	Conversion from CFC-11 to HCFC-141b and from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Sarkisian Refrigerators
France	SYR/REF/29/INV/53	Conversion from CFC-12 to HFC-134a technology in the manufacture of commercial refrigeration equipment at Shoukairi and Co.
IBRD	THA/HAL/32/INV/134	Terminal halon-1211 and halon-1301 phaseout project for fire equipment manufacturers and suppliers converting to ABC powder, CO2, HFC-227ea and inert gases
UNDP	IRA/REF/35/INV/133	Conversion from CFC-11 to HCFC-141b technology and from CFC-12 to HFC-134a technology in the manufacture of domestic and commercial refrigeration equipment at Ghotb Jonoub Industrial Group
UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance
UNEP	OMA/SEV/37/TAS/07	Policy and technical assistance

7. Cancelling the refrigeration project in Argentina (ARG/REF/18/INV/39) by mutual agreement, due to bankruptcy, for which US \$398,318 had been disbursed as at the end of 2004 out of the US \$686,370 approved for the project. The World Bank would seek to

recover the costs for the equipment purchased through the project and assign a phase-out of 22.62 ODP tonnes as per decision 39/13 (b).

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

Document UNEP/OzL.Pro/ExCom/47/10 and Add.1: contains: a progress report on the implementation of the phase-out of methyl bromide (MB) in Guatemala and Honduras; a progress report on the implementation of the project to provide technical assistance for MB reductions and the formulation of regional phase-out strategies for low-volume-consuming countries in Africa (decision 46/16 (c)); a report on the halon management programme, halon recovery, recycling and banking in Thailand (decision 45/12(g)), and; a status report on the disbursement of the second tranches of the national CFC phase-out plans in Mexico and Venezuela (decisions 45/51 and 45/52).

Issue to be addressed:

- MB phase-out project in Guatemala: MB import licenses have been issued for quantities that exceed the maximum level of MB consumption committed to by the Government; implementation of the project has been put on hold by UNIDO; a mission to Guatemala by the Chairman of the Executive Committee and the Heads of the Fund and Ozone Secretariats is planned for early November 2005 and a report will be provided for the 47<sup>th</sup> Meeting.
- MB phase-out project in Honduras: a proposed change in the MB phase-out schedule.
- MB technical assistance programme in a number of African countries: no issues.
- Status report on the disbursement of sector tranches in Mexico and Venezuela: no issues.
- Halon banking programme in Thailand: proposed modification of costs and project milestones in light of current guidelines and precedents.

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

1. Consider the report on the deliberations with high-level authorities in Guatemala by the Chair of the Executive Committee and the Heads of the Fund and Ozone Secretariats and what advice might be provided to the Government of Guatemala.
2. Consider the request by the Government of Honduras to revise the time-specific benchmarks contained in decision XV/35 according to the new schedule proposed by the Government.
3. Take note of the progress report on the implementation of the MB technical assistance programme for low-volume-consuming countries in Africa and remind UNDP of the requirement to submit a full report to the 48<sup>th</sup> Meeting on progress so far achieved in the implementation of the project.
4. Consider the request to reallocate funding within the halon management programme in Thailand in light of additional information to be provided prior to the 47<sup>th</sup> Meeting.



**(d) Draft Monitoring and Evaluation work programme for the year 2006**

Document UNEP/OzL.Pro/ExCom/47/11: contains the draft 2006 monitoring and evaluation work programme, which summarizes the results achieved in implementing the 2005 work programme; a proposal for the evaluation studies to be conducted in 2006; the general methodological approach; and the budget required for implementing the evaluation studies in 2006.

Issues to be addressed:

- Results of the 2005 work programme;
- Evaluation studies proposed for the year 2006;
- Implementation modalities and methodological approach; and
- Budget for the 2006 work programme.

Action expected from the Executive Committee: The Executive Committee may wish to decide to approve the proposed 2006 work programme for monitoring and evaluation at a budget of US \$346,000, as indicated in document UNEP/OzL.Pro/ExCom/47/11.

**7. Project proposals**

**(a) Overview of issues identified during project review**

Document UNEP/OzL.Pro/ExCom/47/12: provides statistics on submissions received, presents an issue arising from project review and contains the list of all projects and activities recommended for blanket approval (Annex I) and the list of project for individual consideration (Annex II).

Issues to be addressed:

- Assistance for countries with zero reported baseline.

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

1. Consider whether to designate UNEP's CAP programme as the means of providing assistance in the relevant sector to an eligible Article 5 country that has zero baseline and zero consumption.
2. Consider whether to request bilateral and implementing agencies providing assistance with preparation and implementation of a TPMP to ensure that, within the approved levels of funding, project activities include provision of necessary support, in accordance with relevant Fund rules and policies, in regard to the ODS in the country for which there is zero baseline and zero consumption but where a risk of future consumption exists.

3. Consider whether to agree that assistance would be available in accordance with the existing rules and policies applying to countries with established baselines, for Article 5 countries that had zero baselines for the relevant ODS, provided that the country had established the existence of ongoing consumption through verifiable reports on the actual circumstances of consumption in the country, and supported by appropriate data reporting under Article 7 and to the Fund Secretariat for at least two consecutive years.
4. Approve the projects recommended for blanket approval.

**(b) Bilateral cooperation**

Document UNEP/OzL.Pro/ExCom/47/13 and Add.1: contains 15 projects and activities submitted for approval by the Governments of Canada, France, Germany, Japan, Portugal, Spain, Sweden, Switzerland and the United States of America as bilateral cooperation. Five projects are addressed in the document and the remaining 10 will be considered in Agenda Item 7 (f), investment projects.

Issues to be addressed:

- Individual consideration for the Portuguese project on communication and cooperation support to Portuguese speaking countries in the African region.

Action expected from the Executive Committee: The Executive Committee might consider whether it wishes to approve the bilateral cooperation project for Portugal to provide policy assistance to Portuguese-speaking countries in Africa and to East Timor at a cost of US \$90,000 plus support costs of US \$11,700 for Portugal.

**(c) Amendments to work programmes for 2005:**

**(i) UNEP**

Document UNEP/OzL.Pro/ExCom/47/14: contains 50 activities submitted by UNEP, including 19 requests for new or renewed institutional strengthening projects. 20 of the activities were recommended for blanket approval and were considered in Agenda Item 7(a). 17 activities associated with refrigerant management plans or national phase-out plans will be considered in Agenda Item 7(e) on investment projects. Five proposals for renewal of institutional strengthening projects are for individual consideration, together with eight other proposed activities.

Issues to be addressed:*Institutional strengthening renewals*

- Fiji is requesting funding for year 2 of phase IV of its institutional strengthening project. Fiji is in non-compliance with the Protocol's MB control measures. A project to assist Fiji to return to compliance has been submitted to the present meeting;
- Micronesia and Tonga have requested funding for a single year of institutional strengthening. The two countries, together with nine other states from the region, have thus far been supported by the PIC Strategy for complete phase-out by the end of 2005. While the two countries are eligible for institutional strengthening funding, no relevant reports on or plans for institutional support for the total of eleven countries covered by the PIC Strategy are currently evident after the conclusion of the Strategy at the end of 2005;
- Samoa is requesting funding for phase III of its institutional strengthening project. At the time of writing Samoa had not yet reported Article 7 or country programme data for 2004; and
- Sierra Leone is requesting funding for phase II of its institutional strengthening project. Sierra Leone has reported 2004 halon consumption data that exceeds its baseline and is in potential non-compliance with the Protocol control measures for halons.

*Other activities*

- Burkina Faso, Rwanda, Seychelles and Tanzania all have an MB baseline of zero and current MB consumption of zero. UNEP is proposing technical assistance programmes of US \$15,000 for each country to guard against future consumption. While the potential level of funding has been discussed with the Secretariat, the funding of assistance for countries with zero baseline and zero consumption has been raised as a policy issue (Agenda item 7a above);
- UNEP has requested US \$46,000 for technical assistance to set up a halon bank for Kyrgyzstan which for the first time has reported a consumption of halons, namely 2.4 ODP tonnes in 2004. Issues have been raised as to, inter alia, the basis for the consumption, the relevance of the proposed activities and UNEP's role in providing a halon bank. The proposal is also related to the policy issue of assistance for countries with zero baseline and zero consumption (Agenda Item 7(a) above);
- UNEP is proposing a technical assistance programme for CTC phase-out in Nepal. At the time of writing, Nepal had not provided a letter as required in decision 45/14 acknowledging that the country would not seek additional assistance from the Fund for the phase-out of CTC;
- UNEP is proposing a US \$1.8 million project for training and capacity building through farmers field schools to sustain MB phase-out in Africa. The proposal is not in UNEP's 2005 business plan and, in view of the submission date of 21 October 2005, had not at the time of writing been fully reviewed by the Secretariat; and
- An update of UNEP's customs training manual has been proposed at a cost of US \$200,000 to incorporate areas which have emerged over the past few years such as illegal trade and import/export license systems. The Secretariat questioned whether there is a need for a full revision of the manual or alternatively the preparation of a supplement at a lower cost.

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

*Institutional strengthening renewals*

1. Consider whether to approve year 2 of Phase IV of Fiji's institutional strengthening project.
2. Consider whether to defer the requests for one year of institutional strengthening funding for Micronesia and Tonga and request UNEP to submit relevant reports on the PIC strategy and requests for institutional strengthening support for all the PIC Strategy countries to the 48<sup>th</sup> Meeting.
3. Consider approving only the first year of phase III of the institutional strengthening request for Samoa if 2004 data has not been reported by the time of the 47<sup>th</sup> Meeting.
4. Consider approving only the first year of phase II of Sierra Leone's institutional strengthening project.

*Other activities*

1. Consider the proposals for funding MB technical assistance projects for Burkina Faso, Rwanda, Seychelles and Tanzania on the basis of the Committee's consideration of the policy issue raised in Agenda Item 7(a) above.
2. Consider the proposed halon bank assistance for Kyrgyzstan in the light of the Secretariat's comments and the policy issue raised in Agenda Item 7(a) above.
3. Consider approving the CTC technical assistance project for Nepal, provided that by the time of the 47<sup>th</sup> Meeting, Nepal has provided a letter as required in decision 45/14 acknowledging that the country would not seek additional assistance from the Fund for the phase-out of CTC.
4. Consider the proposal for a US \$1.8 million MB training and capacity building project in the light of UNEP's business plan for 2005 and any additional information provided to the Executive Committee subsequent to the time of preparation of this document.
5. Consider whether to fund preparation of a supplement to UNEP's customs manual at a lower cost or to approve the proposal for a full revision of the document.

**(ii) UNDP**

Document UNEP/OzL.Pro/ExCom/44/15: contains 12 activities submitted by UNDP, including five requests for renewal of institutional strengthening projects. Ten of the proposals were recommended for blanket approval and have therefore been considered in Agenda Item 7(a).

One request, for Core Unit funding, will be considered under Agenda Item 7(e). One institutional strengthening renewal request is for individual consideration.

Issues to be addressed:

- Institutional strengthening for Iran: Iran is still in non-compliance with regard to TCA and is in potential non-compliance with the 2005 CTC reduction schedule, pending conclusion of the consideration by the Parties of its request for baseline revisions for each substance. However UNIDO is currently undertaking activities to provide support for the data verification exercise requested by the Implementation Committee.

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

1. Consider approving the second year of phase V of Iran's institutional strengthening project without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance.

**(iii) UNIDO**

Document UNEP/OzL.Pro/ExCom/44/16: contains three activities submitted by UNIDO including one request for renewal of an institutional strengthening project. Two activities are recommended for individual consideration and one request, for Core Unit funding, will be considered under Agenda Item 7(e).

Issues to be addressed:

- UNIDO is requesting approval of funding for preparation of an investment project to phase out CFC consumption in the manufacture of metered dose inhalers (MDIs) in Iran. At the 41<sup>st</sup> Meeting the Executive Committee approved an Agreement for a national CFC phase-out plan for Iran which specified that Iran accepts that, by its acceptance of the Agreement and performance by the Executive Committee of its funding obligations, the country is precluded from applying for or receiving further funding from the Multilateral Fund in respect to the consumption of CFCs; and
- UNIDO has requested funding of US \$40,000 for a training and awareness workshop to avoid the use of MB in Armenia. Armenia previously received assistance from the GEF that did not include components related to MB. Armenia reported Article 7 consumption of 1.02 ODP tonnes of MB in 2004 but has an MB baseline of zero and is in potential non-compliance. The proposal is also related to the policy issue of assistance for countries with zero baseline and zero consumption (Agenda Item 7(a) above).

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

1. Consider, since the proposed project preparation funding request is ineligible, whether to invite the Government of Iran to submit at an appropriate time a request for funding for an MDI transition strategy consistent with the Agreement governing Iran's national phase out plan.

2. Consider whether, in view of the phase-out activities previously funded under the GEF, the Government of Armenia could seek assistance from the Multilateral Fund for phasing out MB consumption. If so, and provided the Secretariat can confirm receipt of the required government letter, consider whether the request for US \$40,000 for a technical assistance project could be approved in light of the policy issue of assistance for countries with no baseline addressed in Agenda Item 7(a) above.

**(iv) World Bank**

Document UNEP/OzL.Pro/ExCom/47/17: contains two activities submitted by the World Bank. One request, for Core Unit funding, will be considered under Agenda Item 7(e). The other proposal, an institutional strengthening renewal, is for individual consideration.

Issues to be addressed:

- The World Bank has submitted a request for funding for the second year of phase VI of Chile's institutional strengthening project. Chile has clarified its situation with regard to its apparent non-compliance for consumption of CFC-112 and has put measures in place to return to compliance in regard to MB consumption in 2005.

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

1. Consider approving funding for the second year of phase VI of Chile's institutional strengthening project.

**(d) Compliance Assistance Programme (CAP) budget and work programme for UNEP for the year 2006**

Document UNEP/OzL.Pro/ExCom/47/18: contains the 2006 Work Programme for UNEP consisting of the proposed budget for UNEP's Compliance Assistance Programme (CAP) valued at US \$7,770,000 plus agency support costs of 8 per cent amounting to US \$621,600.

Issues to be addressed:

- The key factors in UNEP's CAP budget submission for 2006 appear to be:
  - (a) A core budget request of US \$8,083,440 (including support costs) which represents prioritisation of funding and re-allocation between a number of line items to accommodate, inter-alia, an increase from 75 to 85 per cent of the costs of the Branch Head position, a full time assistant for the regional coordinator for Europe and Central Asia and increased funding for south-south cooperation;
  - (b) New CAP requests for awareness activities totaling US \$353,160 (including support costs);
- The core budget request represents an increase of 4 per cent, which is the historical allowance for inflation;

- The new requests for awareness include: US \$207,000 plus support costs for the regional awareness programme previously funded annually since 2001 at a level of US \$200,000, plus support costs, through Work Programme Amendments, and; US \$120,000 for global awareness activities based on funding approved at the 45<sup>th</sup> Meeting for global awareness activities in 2005;
- The main issue appears to be the budget level to be assigned as programme funding for global information and awareness as a permanent addition to the CAP budget, on the basis that future budget increases would remain within the allowance of 4 per cent for inflation and that additional information and awareness activities would no longer be requested through Work Programme Amendments; and
- UNEP has not so far returned any unutilised funds from 2004 as required by decision 35/36(d), although funds have been returned from the 2003 budget.

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

1. Consider whether to approve a CAP budget for 2006 at the amount of US \$7,770,000 plus support costs of US \$621,600 on the following basis:
  - (a) UNEP would not in future seek separate funding through work programme amendments for awareness or public information activities, including the regional awareness programme previously funded at US \$200,000 per year;
  - (b) Requests for future increases in the CAP would be limited to 4 per cent;
  - (c) UNEP is encouraged to continue or to extend the prioritisation of funding between CAP budget lines so as to accommodate changing priorities.
2. Consider whether to request the Secretariat to liaise with UNEP and monitor the return of unspent funds in accordance with decision 35/36 (d).
  - (e) **2006 core unit costs for UNDP, UNIDO and the World Bank**

Document UNEP/OzL.Pro/ExCom/47/19: contains the annual review of the current administrative cost regime in response to decision 41/94(d) and based on the base rates established for the 2006-2008 triennium at the 46<sup>th</sup> Meeting (decision 46/35).

Issues to be addressed:

- Administrative cost budget for 2005 and proposed budget for 2006.

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

1. Noting the document on 2006 core unit costs for UNDP, UNIDO and the World Bank as presented in UNEP/OzL.Pro/ExCom/47/19.

2. Approving US \$1.7 million for core unit funding for 2006 each for UNDP and UNIDO, and US \$1.5 million for the World Bank in accordance with decision 46/35.

**(f) Investment projects**

Document UNEP/OzL.Pro/ExCom/47/20 and Add.1: contains the report of the Secretariat on the experiences gained during project preparation of, and any need for changes in or amendments to, the criteria and modalities approved in decision 46/33 with respect to chiller demonstration projects. The document contains also the comments on the UNEP project proposal regarding information, dissemination and awareness activities at a global level, and recommendations regarding further action and potential allocation of funding.

**Document UNEP/OzL.Pro/ExCom/47/21, Add.1 and Add.1/Corr.1: contains information regarding chiller demonstration projects submitted by UNDP, UNIDO and the World Bank.**

**Issues to be addressed:**

- **The analysis of projects submitted has lead to a number of proposed amendments and changes to the modalities and criteria for chiller projects originally contained in decision 46/33. A number of chiller projects have been reviewed, and several might be considered for approval.**

**Action expected from the Executive Committee:**

- **On the basis of the information regarding project proposals and the report from the Secretariat, the Executive Committee might wish to discuss proposed amendments and changes to the modalities and criteria for chiller projects contained originally in decision 46/33, and might consider approving a number of chiller demonstration projects.**

Document UNEP/OzL.Pro/ExCom/47/12: contains in Annex II a list of 19 projects for individual consideration. All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in Agenda Item 7(a). Incremental costs have been agreed for all except 1 of the 19 projects.

**Issues to be addressed:**

- In the Annex II table (reproduced on the next page): each of the 19 projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the table (*if required, the Secretariat will outline the issue or issues involved*).



**Table 1: List of projects for individual consideration**

Country	Project	Sector	Agency	Document No.
<b>Production</b>				
China	Phase-out the production and consumption of CTC for process agent and other non-identified uses (phase I): 2006 annual programme	CTC production/ consumption	World Bank	UNEP/OzL.Pro/ExCom/47/25
China	Sector plan for CFC production phase-out: 2006 annual programme	CFC production	World Bank	UNEP/OzL.Pro/ExCom/47/25
Mexico	Sector plan for phasing out CFC-11 and CFC-12 production sector (fourth tranche)	CFC production	UNIDO	UNEP/OzL.Pro/ExCom/47/36
<b>Methyl bromide</b>				
Iran	Total phase-out of methyl bromide in soil fumigation in olive seedlings, fruit trees, nurseries and others	Methyl bromide	UNIDO	UNEP/OzL.Pro/ExCom/47/30
Lebanon	Sector phase-out of methyl bromide in vegetables, cut flowers, and tobacco production (fifth tranche)	Methyl bromide	UNDP	UNEP/OzL.Pro/ExCom/47/32
Libya	Phase-out of methyl bromide in horticulture: tomatoes, cucumbers, peppers and others	Methyl bromide	UNIDO	UNEP/OzL.Pro/ExCom/47/33
Syria	Phase-out of methyl bromide in grain fumigation (third tranche)	Methyl bromide	UNIDO	UNEP/OzL.Pro/ExCom/47/44
Turkey	Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (third and fourth tranches)	Methyl bromide	UNIDO	UNEP/OzL.Pro/ExCom/47/46
Zimbabwe	Total phase out of MB used in tobacco (first tranche)	Methyl bromide	UNIDO	UNEP/OzL.Pro/ExCom/47/47
<b>Refrigeration</b>				
China	Refrigeration servicing sector CFC phase-out plan: second tranche	Refrigeration	Japan, UNEP, UNIDO	UNEP/OzL.Pro/ExCom/47/25
India	National CFC consumption phase-out plan focussing on the refrigeration service sector: 2006 work programme	Refrigeration	UNDP, UNEP, UNIDO, Germany, and Switzerland	UNEP/OzL.Pro/ExCom/47/29
Turkey	Total phase-out of CFCs plan: 2006 annual programme	Refrigeration	World Bank	UNEP/OzL.Pro/ExCom/47/46 and Corr.1
<b>Process agents</b>				
Colombia	Phase-out of CTC as process agent in the elimination of nitrogen trichlorid during chlorine production at Prodesal S.A.	Process agent	World Bank	UNEP/OzL.Pro/ExCom/47/26
<b>Phase-out plan</b>				
Afghanistan	Implementation of the national phase-out plan	Phase-out plan	Germany, UNEP	UNEP/OzL.Pro/ExCom/47/22 and Add.1
Argentina	National CFC phase-out plan: 2006 work programme	Phase-out plan	UNIDO, World Bank	UNEP/OzL.Pro/ExCom/47/23
DPR Korea	National phase-out plan	Phase-out plan	UNEP, UNIDO	UNEP/OzL.Pro/ExCom/47/31
Fiji	terminal phase-out management plan	Phase-out plan	UNDP, UNEP	UNEP/OzL.Pro/ExCom/47/27
Saint Vincent and the Grenadines	Terminal phase out management plan for CFCs	Phase-out plan	UNDP, UNEP	UNEP/OzL.Pro/ExCom/47/42
Tunisia	National ODS phase-out plan	Phase-out plan	World Bank	UNEP/OzL.Pro/ExCom/47/45

Action expected from the Executive Committee: the Committee may wish to consider whether to approve each of the 19 projects listed in the table on the basis of: the information provided in

the relevant project proposal document including the Secretariat's comments; any additional documents circulated in accordance with decision 41/80; and, any additional information provided at the meeting by the Secretariat or the relevant implementing agency.

## **8. Country programmes**

Documents UNEP/OzL.Pro/ExCom/47/48 and UNEP/OzL.Pro/ExCom/47/49: contain, respectively, the country programme of Afghanistan and the country programme update of Tunisia.

Issues to be addressed: None

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

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

## **9. Accounts of the Multilateral Fund:**

### **(a) Final 2004 accounts**

Documents UNEP/OzL.Pro/ExCom/47/50 and Corr.1: Provides information of the 2004 final accounts of the Fund. Schedules 1.1 to 1.7 attached to this document constitute the final 2004 accounts of the Fund as recorded in the UNEP system. The 2004 accounts have been audited and are awaiting signature of the management letter by the UN Board of Auditors. The Treasurer will bring to the attention of the Executive Committee any observations and subsequent material changes in the final accounts, if any.

Action expected from the Executive Committee: the Executive Committee may wish to take note with appreciation of the 2004 final accounts.

### **(b) Reconciliation of the 2003 and 2004 accounts:**

Documents UNEP/OzL.Pro/ExCom/47/51: addresses the issues on the reconciliation of 2003 and 2004 accounts in accordance with decision 38/9 (d).

### **Issues to be addressed:**

- **Resolution of differences between the World Bank's progress report and the Secretariat's Inventory of Approved Projects;**
- **Oral reports on differences in expenditures reported in progress reports and Accounts;**

**Action expected from the Executive Committee:**

1. **Note the reconciliation of 2003 and 2004 accounts as presented in UNEP/OzL.Pro/ExCom/47/51;**
2. **Request the Treasurer to make the appropriate adjustments as indicated in this document and ensure that funds transferred to the implementing agencies are the net amount authorized by the Executive Committee.**

**10. Revised 2006, 2007 and proposed 2008 budgets of the Fund Secretariat**

Documents UNEP/OzL.Pro/ExCom/47/52: presents the revised 2006, 2007 and proposed 2008 budgets of the fund secretariat. The revision of the 2006 budget is being submitted for approval by the Executive Committee at its 47<sup>th</sup> Meeting to introduce the Secretariat operational costs at the same level as for previous years. It also includes an increase of US \$73,300 to cover the minimal cost upgrading of 1 General Service (GS) post from G4 to G5 and the cost of a new information technology junior post at P2 level to respond to the considerably more complex duties and increased requirements in information technology and network security in the Secretariat. The 2007 budget has been revised to reflect the additional cost resulting from the upgrade of a GS post and the establishment of the new information technology post proposed in 2006. The proposed 2008 budget reflects staff costs for 2008 to enable extension of staff contracts based on proposed 2007 staff salary components level using the standard 5 % inflation rate against the 2007 staff cost level.

Issue to be addressed:

- The establishment of a P2 post and the upgrade of a GS post.

Action requested from the Executive Committee

1. The Executive Committee is invited to approve:
  - (a) The amount of US \$1,023,680 in the revised 2006 budget of the Fund Secretariat totalling US \$3,572,455 to cover the 2006 salary component already approved at the 44<sup>th</sup> Meeting of the Executive Committee and the 2006 operational costs of the Secretariat, as well as the upgrade of a GS post from G4 to G5; together with an additional P2 post;
  - (b) The amount of US \$102, 589 in the revised 2007 salary component of the budget totalling US \$2,778,803 including an increase of 3.69% as a result of the upgrade of a GS post from G4 to G5 and the additional P2 post;
  - (c) The proposed 2008 salary component of the budget totalling US \$2,898,976.

**11. Preliminary results of an analysis of possible further action and policies required to assist compliance with all ODS phase-out requirements, including the review of institutional strengthening projects envisaged under decision 35/57 (follow-up to decision 45/55)**

Document UNEP/OzL.Pro/ExCom/47/53: contains a preliminary analysis of the possible further action and policies required to assist compliance with all ODS phase-out requirements in light of the issues raised in the supplementary paper prepared by the Government of China (UNEP/OzL.Pro/ExCom/45/47). It also contains a review of approved institutional strengthening projects and other capacity building activities, as well as a discussion on the administration of institutional strengthening projects.

Issues to be addressed:

- Adequacy of current institutional strengthening and capacity building activities funded under the Multilateral Fund to support phase-out and compliance with the Montreal Protocol control measures up to and including 2010;
- The potential need for institutional support after 2010; and
- The opportunities for more efficient and effective administration of institutional strengthening project renewals.

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

1. Consider whether to:
  - (a) Note that in the compliance period specific measures have been taken to provide additional, and guaranteed institutional support and to re-focus the work of the Executive Committee on facilitating compliance; and
  - (b) Agree that the measures already taken constitute an appropriate response to meeting the needs of Article 5 countries in regard to their compliance obligations under the Montreal Protocol up to and including 1 January 2010;
2. Consider whether to:
  - (a) Note that the anticipated actions required by Article 5 countries to meet compliance obligations after 2010 provide an indication that funding support for IS may need to be continued after 2010;
  - (b) Decide that possible funding arrangements and levels for IS support beyond 2010 should be examined at the end of 2007; and
  - (c) Decide to explore the extent and nature of additional measures that might be considered for funding by the Executive Committee to address surveys, institutional measures and/or other preparatory activities for HCFC phase-out in the light of the results of the China policy study;

3. **Consider whether to request the Secretariat to prepare a paper for the 49<sup>th</sup> Meeting, in consultation with implementing agencies, on the possibility of simplifying the current requirements for submission of requests for renewal of IS projects by making use of the report on progress with implementation of country programmes now provided annually by all Article 5 countries receiving support from the Multilateral Fund, together with an annual cycle of funding renewals, but with no change to the annual levels of funding provided.**
- 12. New options for monitoring and assessing the progress of agencies with regard to multi-year agreements (follow-up to decision 46/8)**

Document UNEP/OzL.Pro/ExCom/47/54: contains the discussion paper prepared pursuant to decision 46/8. The document addresses the current system of monitoring multi-year agreements, the issue of completion dates for annual tranches and the definition of phase-out for tranches. and concludes with options and recommendations.

Issues to be addressed:

- Completion dates of annual tranches, balances and delays;
- Definition of phase-out for annual tranches of multi-year agreements;
- Options for improving accuracy of progress reporting on multi-year agreements; and
- Monitoring of delays in the submission of annual tranches.

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

1. Note the Report on options for monitoring and assessing the progress of agencies with regard to multi-year agreements as contained in UNEP/OzO.Pro/ExCom/47/54.
2. Adopt the aforementioned options set out in paragraphs 34 and 35 for improving the accuracy of progress reporting on multi-year agreements.
3. Request implementing agencies to record phase-out according to the actual and real levels of consumption achieved in annual tranches of multi-year agreements, while noting that in some cases the phase-out may need further explanation and that there should be consistent use of the definition of planned and actual phase-out.
4. Decide that a separate sub-agenda item on “Delays in the Submission of Annual Tranches” should be included for future meetings.
5. Request implementing agencies to inform countries of the need to exceed the phase-out indicated in an agreement where necessary to meet the obligations of the Montreal Protocol as well as those cases where actual consumption or production data has resulted in changes to the phase-out indicated in the agreements.

### 13. Qualitative performance indicators (follow-up to decision 46/14)

Document UNEP/OzL.Pro/ExCom/47/55: presents comments from two Executive Committee members (Canada and Japan) on the subject of quantitative indicators and resubmits the document on qualitative performance indicators and the feasibility and desirability of extending current performance indicators to bilateral agencies (UNEP/OzL.Pro/ExCom/46/17) as a follow-up to decision 46/14.

Issues to be addressed:

- Revised quantitative performance indicators; and
- Extension of current performance indicators to bilateral agencies.

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

1. Take note of document UNEP/OzL.Pro/ExCom/47/55 on performance indicators.
2. Consider adopting the revised weighting of quantitative performance indicators [as suggested by the Government of Canada] for implementation in the context of the 2005 evaluation of the performance of bilateral and multilateral implementing agencies as follows:

Type of Indicator	Item	Weighting	Sub-total
Approval	Multi-year tranches approved	15	
Approval	Individual projects/activities approved	10	
			25
Implementation	Milestone activities completed	20	
Implementation	ODS phased-out for individual projects	15	
Implementation	Project completion	10	
Implementation	Policy/regulatory assistance completed	10	
			55
Administrative	Speed of financial completion	10	
Administrative	Timely submission of project completion reports	5	
Administrative	Timely submission of progress reports	5	
			20

3. Consider not requiring bilateral implementing agencies to set performance indicator targets for quantitative performance indicators [suggested by the Government of Japan].

**14. Proposed terms of reference, budget and modalities for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS (follow-up to decision 46/36)**

Documents UNEP/OzL.Pro/ExCom/47/56: presents the discussion paper pursuant to decision 46/36. It includes possible terms of reference for a study regarding collection, recovery, recycling, reclamation, transportation and destruction of unwanted ODS and proposes an Expert's Meeting to further refine the terms of reference.

Issue to be addressed:

- Purpose of the study;
- Need for an Experts' Meeting; and
- Proposed terms of reference, modalities and budget.

Action expected from the Executive Committee: the Committee may wish to request the Multilateral Fund Secretariat to proceed with the organization of the Experts' Meeting on Recovery, Recycling, Reclamation, Transportation and Destruction of ozone depleting substances as an initial step, and to determine the scope of the study on this issue on the basis of the process outlined in document UNEP/OzL.Pro/ExCom/47/56.

**15. Report on documenting the internal procedures and practices of the Treasurer**

Documents UNEP/OzL.Pro/ExCom/47/57: is submitted by the Secretariat as a follow up to decision 45/59(f)(ii) requesting the Treasurer "to report on progress in documenting the Treasurer's internal procedures and practices annually until they had been fully documented" and Recommendation 23 of the subgroup on the study on the financial mechanism in Annex XVII to the report of the 45<sup>th</sup> Meeting of the Executive Committee, which requests the Treasurer to report on final progress on documenting the internal procedures and practices of the Treasurer to the 46<sup>th</sup> Meeting. Recommendation 23 also requires the Executive Committee to "report back to the Parties once the internal procedures and practices of the Treasurer had been documented". This document is an up-date of Document UNEP/OzL.Pro/46/Inf.2 and presents final progress in documenting the internal procedures and practices of the Treasurer as they relate to the overall responsibilities of the Treasurer in providing the Committee with regular and updated reports.

Issues to be addressed:

None

Action expected from the Executive Committee: The Executive Committee is invited to note that the final progress report on documenting the internal procedures and practices of the Treasurer is contained in document UNEP/OzL.Pro/ExCom/47/57.

## **16. Draft of an Executive Committee primer (follow-up to decision 46/41)**

Document UNEP/OzL.Pro/ExCom/47/58: presents the draft Executive Committee primer developed by the Secretariat in response to decision 46/41.

**Issues to be addressed: It is proposed that new members of the Executive Committee are provided with an orientation package including the booklet, the primer and a directory of Multilateral Fund contacts. If the Executive Committee is in agreement with the proposal to provide new Executive Committee members with a package, then the Executive Committee may wish to consider reducing the size of the Primer by removing one or more of the appendices. The Executive Committee may wish to provide some guidance regarding this matter.**

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

1. Note the draft Executive Committee primer as contained in UNEP/OzL.Pro/ExCom/47/58.
2. Request the Secretariat to finalize the Executive Committee primer as contained UNEP/OzL.Pro/ExCom/47/58 on the basis of comments and suggestions at the 47<sup>th</sup> Meeting and to distribute it to Executive Committee members in advance of the first meeting of 2006.

## **17. Report of the Executive Committee's Subgroup on the Production Sector**

Three project will be considered by the Subgroup on the Production Sector, namely:

- Sector plan for phase-out of ODS process agent applications (Phase II) and corresponding CTC production in China;
- Sector plan for methyl bromide production sector in China (first tranche); and
- Sector plan for ODS production sector in Romania.

The report will be submitted to the Executive Committee after the Subgroup meets during the 47<sup>th</sup> Meeting.

## **18. Report of the Executive Committee to the Seventeenth Meeting of the Parties**

Document UNEP/OzL.Pro/ExCom/47/60: presents a draft report to the Seventeenth Meeting of the Parties. This document is based on the 44<sup>th</sup>, 45<sup>th</sup> and 46<sup>th</sup> meetings of the Executive Committee.

Issues to be addressed: Since the reporting period also includes the 47<sup>th</sup> Meeting, the report will have to be updated immediately after the Report of the 47<sup>th</sup> Meeting of the Executive Committee is finalized.



Action expected from the Executive Committee: after considering the draft report, the Executive Committee may wish to authorize the Secretariat to finalize the report in the light of the discussions held and decisions taken at the 47<sup>th</sup> Meeting of the Executive Committee, as well as any comments made on this item by Executive Committee members.

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