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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Forty-ninth Meeting  
Montreal, 10-14 July 2006

**Addendum**

**PROVISIONAL ANNOTATED AGENDA**

This document is issued to provide information not included in document UNEP/OzL.Pro/ExCom/49/1/Add.1 on the following items: **Item 5 (a)** “Report on balances and availability of resources”, **Item 7 (c) (ii)** Amendments to work programmes for 2006, **Item 10** “Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties (follow-up to decision 48/36)” and **Item 12** “Provisional 2005 accounts”. The relevant items are replaced by the following:

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

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

Documents UNEP/OzL.Pro/ExCom/49/4 and Add.1: contain the submissions of the implementing agencies on completed projects with balances, and the return of funds from cancelled projects.

Issues to be addressed:

- Implementing agencies are returning US \$4,324,771 plus US \$532,132 in agency fees; and
- Total resources available for the 49<sup>th</sup> Meeting.

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.

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

- (a) Note the report on balances and availability of resources contained in UNEP/OzL.Pro/ExCom/49/4;
- (b) Note the net level of funds being returned by the multilateral implementing agencies to the 49<sup>th</sup> Meeting against project balances totalling US \$4,324,771. This includes the return of US \$650,450 from UNDP, US \$50,803 from UNEP, US \$216,855 from UNIDO, and US \$3,406,663 from the World Bank;
- (c) Note the net level of support costs being returned by the multilateral implementing agencies to the 49<sup>th</sup> Meeting against project support cost balances totalling US \$532,132. This includes the return of US \$82,209 from UNDP, US \$12,076 from UNEP, US \$26,190 from UNIDO, and US \$411,657 from the World Bank;
- (d) Note that implementing agencies had balances totalling US \$14,550,486 excluding support costs from projects completed over two years ago. This includes US \$366,760 plus support costs from UNDP, US \$258,155 plus support costs from UNEP, US \$223,151 plus support costs from UNIDO, and US \$13,702,420 plus support costs from the World Bank; and
- (e) Note that US \$30,312,324 (to be updated at the meeting) was available to the Executive Committee for approvals at the 49<sup>th</sup> Meeting.

## **7. Project proposals:**

### **(b) Bilateral cooperation**

Documents UNEP/OzL.Pro/ExCom/49/20 and Add.1: contain 6 projects and activities submitted for approval by the Governments of Canada, France and Germany as bilateral cooperation. Four projects are addressed in the document and the remaining two will be considered in Agenda Item 7 (d), investment projects. Three projects, two submitted by the Governments of Canada and the other submitted by the Government France, are recommended for blanket approval and were considered in Agenda Item 7 (a). The other proposals have been recommended for individual consideration.

Issues to be addressed:

- Non-receipt of a letter from Seychelles confirming the choice of an agency for implementing the TPMP;
- Germany has already received approval for annual tranches of multi-year agreements that have fully utilized its 2006 allocation and some of its 2007 allocation and is requesting additional funding to be credited against its 2007 allocation.

Action expected from the Executive Committee: the Committee may wish to continue to inform the Meeting of the Parties in cases where bilateral cooperation exceeds 20% of the current year's contribution during the current triennium, in particular where they relate to commitments for existing multi-year agreements.

**(c) Amendments to work programmes for 2006****(ii) Amendments to UNEP's work programme for 2006**

Document UNEP/OzL.Pro/ExCom/49/22: contains 23 activities submitted by UNEP, including 11 requests for renewal of institutional strengthening projects, and one request for institutional strengthening start-up funding. Twelve of the activities were recommended for blanket approval and were considered in Agenda Item 7 (a). Three activities associated with phase-out plans are discussed in the relevant country project document. Two activities for a new party and six proposals for renewal of institutional strengthening projects are for individual consideration.

Issues to be addressed:

- UNEP has requested funding to prepare a CP/TPMP for Equatorial Guinea and to start up an institutional strengthening project. Although UNEP was advised that the country had deposited the instrument of ratification of the Montreal Protocol, the UN depositary has not yet received the documentation and the country is not yet a Party to the Protocol.
- UNEP has submitted a request for renewal of the institutional strengthening project for Benin. At the time of preparation of this document Benin had not submitted its 2005 country programme progress report and the associated data. According to established precedent the proposal was not recommended for blanket approval.
- UNEP has submitted a request for renewals of institutional strengthening projects for Kiribati, Micronesia, Palau, Solomon Islands, and Tonga, five of eleven countries whose compliance needs are being addressed through a regional strategy for Pacific Island Countries (PIC Strategy), approved at the 36<sup>th</sup> Meeting and extended at the 44<sup>th</sup> Meeting, with the objective of phasing out ODS consumption by the end of 2005. Not all the actions funded under the PIC strategy have been completed and three of the five countries continue to consume CFCs. No overall report on implementation of the strategy has yet been submitted.

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

- (a) Approve the preparatory funding and institutional start-up funding for Equatorial Guinea provided that confirmation of ratification of the Protocol is available by the time of the meeting, otherwise, defer the requests.
- (a) bis. Consider approving funding for Phase V of the institutional strengthening project for Benin for the customary period of two years.
- (b) Consider:
  - (i) Approving, on an exceptional basis, funding for one year only for extension of the institutional strengthening projects for the five countries at an amount prorated from the initial level of funding approved at the 36<sup>th</sup> Meeting, namely: US \$7,666 for Kiribati, US \$11,333 for

Micronesia, US \$11,333 for Palau, US \$6,833 for Solomon Islands and US \$6,566 for Tonga;

- (ii) Urging UNEP to work closely with the countries to facilitate reporting of consumption data as soon as possible, and to enable them to meet the annual reporting requirements under the PIC Regional Strategy (decision 36/27 (c));
- (iii) Requesting UNEP, in conjunction with the Government of Australia, if relevant, to submit, not later than the 51<sup>st</sup> Meeting, the following:
  - a. A comprehensive report on the implementation of the PIC strategy to date covering all the countries concerned; and
  - b. An integrated proposal detailing any potential extension of assistance under the Multilateral Fund to all the countries covered by the PIC strategy, including all the institutional strengthening projects, in the light of relevant Executive Committee decisions and guidelines. The proposal should also include other projects that may be submitted through bilateral assistance.

**10. Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties (follow-up to decision 48/36)**

Document UNEP/OzL.Pro/ExCom/49/39: contains the policy paper prepared by the Secretariat on the above issue.

Issues to be addressed:

- Options for addressing some Article 5 Parties with metered dose inhaler manufacturing plants that might be at a serious risk of not meeting the control measures on CFC consumption in 2007.

Action expected from the Executive Committee: In relation to Bangladesh and Egypt, as the two Article 5 Parties with production of CFC MDIs that would appear to be at a serious risk of not meeting the 85 per cent reduction in CFC consumption in 2007, the Executive Committee might wish to:

- (a) Request the Governments of Bangladesh and Egypt, assisted by the relevant implementing agencies, to include the following in the 2007 and 2008 annual implementation programmes of their national CFC phase-out plans;
  - (i) Specific activities that are technically viable and economically feasible could be implemented in the shortest possible period of time to achieve the greatest reduction in consumption of CFCs, such as the introduction of non-CFC drop-in refrigerants for servicing refrigeration equipment and/or cost-effective equipment retrofits;

- (ii) Assessment of the feasibility of importing recovered and recycled CFCs for servicing existing refrigeration equipment; and
  - (iii) Within the flexibility in reallocating the approved funds set out in the agreements between the Governments concerned and the Executive Committee, consider establishing stockpiles of pharmaceutical-grade CFC for use in MDI production facilities, if technically feasible and economically viable;
- (b) Request the Government of Bangladesh to submit to the 50<sup>th</sup> Meeting a proposal for the development of a transition strategy for the phase-out of CFC-based MDIs. In developing its strategy, Bangladesh is invited to consider, among other things;
- (i) Accelerating the replacement of CFC-MDIs with HFA-MDIs and/or other non-CFC alternatives (i.e., DPIs) by multi-national companies that have already introduced those products in other Article 5 Parties;
  - (ii) Inviting multi-national companies that are manufacturing CFC-MDIs in Bangladesh to provide information demonstrating the steps being taken to assist the earliest possible changeover to the manufacture of non-CFC asthma and COPD treatments in Bangladesh; and
  - (iii) To facilitate the earliest possible completion by the leading nationally-owned manufacturer of MDIs in Bangladesh of the manufacturing facilities for non-CFC MDIs currently under implementation;
- (c) Request the Government of Egypt to finalize as soon as possible the preparation of a project for the phase-out of CFCs in the manufacture of MDIs that was approved for UNIDO at the 45<sup>th</sup> Meeting of the Executive Committee, addressing any compliance-related issues;
- (d) In relation to any broader action, including financial support for phasing out CFCs used for the manufacture of MDIs in Article 5 Parties that are not eligible for funding under the current rules of the Multilateral Fund, the Executive Committee might consider whether it wishes to request the Secretariat to undertake additional work and, if so, to provide specific guidance on the objectives and scope of the work in the light of any guidance the Parties to the Montreal Protocol may give at their 18<sup>th</sup> Meeting.

## 12. Provisional 2005 accounts

Document UNEP/OzL.Pro/ExCom/49/41: this document summarises the provisional accounts for the year 2005. The 2005 provisional accounts are submitted to this meeting for information only pending their certification by the Board of Auditors. The final 2005 Accounts will be submitted to the 50<sup>th</sup> Meeting following the schedule of submission agreed on at the workshop on common terminology and procedures. The document contains a note from the Treasurer on

the preliminary remarks by the Auditors on the provisional financial statements as well as some explanations provided by the Treasurer and the Secretariat to the Auditors remarks.

Issues to be addressed:

- The document addresses the issue of the adjustments that may be required in the 2005 Accounts as a result from the Executive Committee decision to transfer only net amounts approved by the Executive Committee;
- The possibility that a separate audit of the financial statement of the Multilateral Fund may take place;
- The issue of the outstanding contributions from countries with economies in transition and disputed contributions from countries not belonging to this category; and
- The recording by the Treasurer of the Implementing Agency's provisional accounts in the UNEP final accounts.

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

- (a) Take note of the Fund's 2005 provisional accounts;
- (b) Note that the 2005 final accounts of the Fund will be submitted to the Committee at the 50<sup>th</sup> Meeting taking into account adjustments for prior years;
- (c) Note the actions taken by the Treasurer to reflect adjustments resulting from the reconciliation of the 2003 -2004 accounts exercise;
- (d) Request the Treasurer to make the necessary adjustments in 2006 to transfer bank charges on transfers made by the Treasurer to the implementing agencies from the Secretariat budget to the administrative costs, or as directed by the Executive Committee;
- (e) Take note of the Treasurer's report on the audit of the Multilateral Fund accounts and the possibility that a separate audit of the financial statements of the Multilateral Fund may take place;
- (f) Take note of the additional information provided on the outstanding contributions from countries with economies in transition and disputed contributions from countries not belonging to this category; and
- (g) Note the explanations provided in respect of the submissions of the implementing agencies' provisional accounts to the Executive Committee.

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