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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-first Meeting  
Montreal, 19-23 March 2007

**REPORT OF THE FIFTY-FIRST MEETING OF THE  
EXECUTIVE COMMITTEE**

Introduction

1. The 51<sup>st</sup> 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 19 to 23 March 2007.
2. The Meeting was attended by representatives of the following countries, Members of the Executive Committee, in accordance with decision XVIII/2 of the Eighteenth Meeting of the Parties to the Montreal Protocol:
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Belgium, Canada (Chair), the Czech Republic, Italy, Japan, Sweden and the United States of America; and
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: China, Guinea (Vice-Chair), Jordan, Mexico, Saint Lucia, Sudan and Uruguay.
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 attended by the President and the Vice-President and Rapporteur of the Implementation Committee. The Executive Secretary and the Monitoring and Compliance Officer of the Ozone Secretariat were also present.

5. Representatives of the Alliance for Responsible Atmospheric Policy and the Environmental Investigation Agency also attended as observers.

### **AGENDA ITEM 1: OPENING OF THE MEETING**

6. The Meeting was opened at 10:00 am on Monday, 19 March 2007, by the Chair, Mr. Philippe Chemouny (Canada), who welcomed the participants to Montreal. He emphasized that the year 2007 was particularly important as it marked the 20<sup>th</sup> anniversary of the adoption of the Montreal Protocol, which had been hailed as a brilliant example of a successful multilateral environmental agreement (MEA). A recent report had concluded that the climate protection already achieved by the Montreal Protocol alone had been far greater than the reduction target under the first commitment period of the Kyoto Protocol.

7. In addition to being the deadline for meeting the 85 per cent reduction target, 2007 marked the beginning of a critical phase of activity to ensure compliance with the 2010 phase-out target. The discussion of business plans for the 2007-2009 triennium was therefore key to providing a strategic direction for the allocation of Multilateral Fund resources. In that regard, it was necessary to continue basing financial and business planning firmly on the compliance needs of Article 5 countries.

8. With regard to uncommitted funds, the Executive Committee had to establish priorities for the allocation of funds for activities not needed for compliance. The Secretariat had raised nine issues that might require attention when setting priorities. A key issue was how to proceed with HCFC projects and activities, with respect to which presentations would be made on HCFC surveys prepared by UNDP and a study prepared by Germany. Another issue was how to deal with issues related to CFC metered-dose inhalers (MDIs), on which the Secretariat had prepared a new paper for the Committee's consideration.

9. Further matters for consideration included a desk study on how multi-year agreements (MYAs) and national phase-out plans (NPPs) were being managed, and the evaluation report on CTC projects. The results of the final report on the evaluation of CTC phase-out projects and agreements would provide material for the Members' discussion on CTC use for feedstock and process agents, and the co-production of CTC in Article 5 countries, as requested in Executive Committee decision 48/27. In addition, over 70 projects and activities had been submitted to the Meeting by the implementing and bilateral agencies, several of which would require individual consideration by the Committee. Finally, the Executive Committee was being asked to consider very carefully the terms of reference for a study on administrative costs as its results could have a significant impact on the outcome of the next replenishment exercise.

10. In closing, the Chair said that while international recognition of the Montreal Protocol's benefits was a testament to the success of the Multilateral Fund and the work of the Executive Committee, it was important to be mindful of the many things that still needed to be done.

**AGENDA ITEM 2: ORGANIZATIONAL MATTERS****(a) Adoption of the agenda**

11. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/51/1.

12. The Committee decided to include two points under agenda item 18, Other matters: Update on the Third Meeting of the Stockholm Group, held in The Hague in February 2007; and a discussion on the deadline for the submission of phase-out plans by the implementing agencies.

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. Review of promissory notes policy (follow-up to decision 50/44 (c)).
6. Report on balances and availability of resources.
7. 2007-2009 business plans:
  - (a) Consolidated business plan of the Multilateral Fund, including follow-up to decision 50/3 and consideration of the following:
    - Model rolling three-year phase-out plan for 2007-2009;
    - Status/prospects of Article 5 countries in achieving compliance with the initial and intermediate control measures of the Montreal Protocol;
    - Priorities for the triennium 2006-2008, beyond the needs identified by the model rolling three-year phase-out plan, taking into account the remaining US \$40 million in unallocated funds for the triennium (follow-up to decision 50/6).
  - (b) Business plans of the implementing agencies:
    - (i) Bilateral agencies;
    - (ii) UNDP;
    - (iii) UNEP;
    - (iv) UNIDO;

- (v) World Bank.
8. Programme implementation:
- (a) Monitoring and evaluation:
    - (i) Final report on the evaluation of CTC phase-out projects and agreements;
    - (ii) Desk study on the evaluation of management and monitoring of national phase-out plans;
  - (b) Issues related to monitoring and reporting on multi-year agreements (follow-up to decisions 49/6 (e) and 50/40);
  - (c) Project implementation delays;
  - (d) Annual tranche submission delays;
  - (e) Report on implementation of approved projects with specific reporting requirements.
9. Project proposals:
- (a) Overview of issues identified during project review;
  - (b) Bilateral cooperation;
  - (c) Work programmes and amendments:
    - (i) Amendments to the 2006 work programme of UNEP;
    - (ii) 2007 work programme of UNDP;
    - (iii) 2007 work programme of UNIDO;
    - (iv) 2007 work programme of the World Bank.
  - (d) Investment projects.
10. Country programmes.
11. Options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties: revised paper (follow-up to decision 49/33).
12. Status report on the process for contracting a consultant to carry out the study on the treatment of unwanted ozone-depleting substances (follow-up to decision 50/42(e)).

13. Draft report of the Executive Committee to the Open-ended Working Group on the progress made in reducing emissions of controlled substances from process-agent uses (follow-up to decision XVII/6 of the Seventeenth Meeting of the Parties).
14. Consideration of the issue of CTC use as feedstock and process agents, and the co-production of CTC in Article 5 countries (follow up to decision 48/27).
15. Amended report on the reconciliation of the 2005 accounts (follow-up to decision 50/44(a)).
16. Draft terms of reference for a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium (follow-up to decision 50/27).
17. Issues related to the Fund Secretariat's budget for 2007 (follow-up to decision 50/45).
18. Other matters.
19. Adoption of the report.
20. Closure of the meeting.

**(b) Organization of work**

13. The Executive Committee agreed to follow its customary procedure.

**AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

14. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/51/2, which described the activities of the Secretariat since the 50<sup>th</sup> Meeting. She indicated that the Secretariat had prepared 28 documents for the 51<sup>st</sup> Meeting, highlighting the report on balances and availability of resources (UNEP/OzL.Pro/ExCom/51/5), and the 2007-2009 consolidated business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/51/6). The consolidated business plan examined the extent to which all business plans addressed the ODS phase-out needs identified in the rolling three-year phase-out plan for 2007-2009, which had been updated after the 50<sup>th</sup> Meeting, as well as the status of and prospects for compliance. The Chief Officer also drew particular attention to the revised policy document prepared by the Secretariat on options for addressing the situation of countries referred to in decision XVII/14 of the Seventeenth Meeting of the Parties (follow-up to decision 49/33) (UNEP/OzL.Pro/ExCom/51/39), given the urgent need to consider activities related to the CFC-MDI sector.

15. The Secretariat had followed up on decisions taken at the 50<sup>th</sup> Meeting of the Executive Committee by, among other things, initiating the process of providing a means of entering country programme data on the Secretariat's web site. A prototype system and users' manual had been developed and were expected to be launched in time for the 1 May 2007 reporting deadline.

16. The Chief Officer also reported on action taken by the Chair of the Executive Committee pursuant to decisions made at the 50<sup>th</sup> Meeting. The Chair had written to the Parties, through the Ozone Secretariat, requesting that they consider, at their Nineteenth Meeting, the request by the Executive Committee to amend its terms of reference to enable it to change the number of Executive Committee Meetings. The Chair had also informed the Parties of the Executive Committee's decision 50/37 approving the terminal phase-out plan (TPMP) for Romania, to be implemented by UNIDO. The Chair's letter to the Executive Director of UNEP, advising him of decision 50/45 withholding payment from the 2007 treasury fee being paid to UNEP as Treasurer of the Multilateral Fund had been replied to, following talks between the Executive Director of UNEP and the Chief Officer and other senior representatives of UNEP management. The reply would be taken up under agenda item 17, issues related to the Fund Secretariat's budget for 2007 (follow-up to decision 50/45).

17. The Chief Officer and other members of the Secretariat had attended several meetings, in particular, one in Nairobi in November 2006 with senior UNEP and UNON representatives regarding Multilateral Fund matters, including decision 50/45 as it related to Treasury services. She travelled to Nairobi again in February 2007, accompanied by the Administrative and Fund Management Officer, to attend the 24<sup>th</sup> Session of the Governing Council/Global Ministerial Environment Forum, where she made a statement on the work of the Multilateral Fund and the challenges ahead. A copy of the statement had been posted on the Multilateral Fund's web site. She also visited Cairo en route to Nairobi in February for meetings with the Honorary Chief Officer and the Egyptian Minister of Environment. Other senior officers of the Secretariat undertook missions to: the People's Republic of China and the Democratic People's Republic of Korea to prepare case studies on CTC phase-out projects; Sri Lanka to attend the 2006 Meeting of the South Asia Network of ODS Officers; the Netherlands to attend the Third Meeting of the Stockholm Group; Turkmenistan to participate in the Sixth Meeting of the Regional Ozone Network for Europe and Central Asia; and Zimbabwe to attend the 13<sup>th</sup> Main Meeting of the Ozone Officers Network for English-speaking African Countries.

18. The Secretariat had also been invited by the Chief Executive Officer of the Global Environment Facility (GEF) to participate in the GEF Chemicals Technical Advisory Group (TAG), which had been initiated as part of the GEF process for reviewing and revising the chemicals-related focal area strategies (including ozone) for the GEF-4 institutional reform process. The TAG had met in Washington in March 2007 and would prepare a final draft strategy paper for review by the GEF's Strategic Advisory Group (SAG).

19. In addition to the meetings listed in document UNEP/OzL.Pro/ExCom/51/2, the Chief Officer and other officers of the Secretariat had received three invitations to upcoming events. The first was an invitation from the European Commission to participate in a planning committee for a workshop on HCFC replacement technologies to be held in Brussels on 17 April 2007. The European Commission had also invited the Secretariat to provide input on strategic options for capacity-building in relation to regional support units for MEAs in the African, Caribbean and Pacific regions. The Chief Officer further informed the Executive Committee that on 15 March 2007 the Secretariat had received a request from the Ozone Secretariat to review a draft note for a discussion on the future of the Montreal Protocol, to be held at the 27<sup>th</sup> Meeting of the Open-ended Working Group in June 2007. In spite of the short deadline of 23 March 2007 for completing the review, that coincided with the 51<sup>st</sup> Meeting of the Executive Committee, the Chief Officer assured the Meeting that the Fund Secretariat would make all efforts to send the requested comments to the Ozone Secretariat on time.

20. Following the presentation by the Chief Officer, it was pointed out that, in addition to the many valuable activities undertaken, progress had been made on certain issues of importance to the Multilateral Fund thanks to discussions held in the margins of the various meetings attended by the Chief Officer and other members of the Multilateral Fund Secretariat. One implementing agency was particularly interested in receiving feedback on talks between the Secretariat and government ministries involved in projects implemented by that agency. Executive Committee Members also wished to receive further information on the activities undertaken by the Secretariat in response to new invitations, particularly activities within the TAG related to how the GEF's strategy fitted in with the Multilateral Fund's goals for countries with economies in transition.

21. The Chief Officer said that she would be pleased to report back on bilateral discussions held in the margins of meetings. She proposed that the matters of particular interest to the implementing agency could be communicated directly to that agency, rather than in a general report. With regard to the TAG process, the Chief Officer specified that, so far, discussions had taken place mainly by conference call, but any available reports on those discussions, including, if available, the report of the TAG meeting held in March 2007, would be posted on the Multilateral Fund Secretariat's intranet.

22. Following the discussion, the Executive Committee decided:

- (a) To take note with appreciation of the report on Secretariat activities; and
- (b) To request the Secretariat to transmit any relevant official documents issued by other multilateral environmental agreements, and the Global Environment Facility, to the Executive Committee.

**(Decision 51/1)**

#### **AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS**

23. The Treasurer introduced the report on the status of the Fund as at 16 March 2007 (UNEP/OzL.Pro/ExCom/51/3/Rev.1), which included an encashment schedule for promissory notes. He said that, the balance of US \$57,516,295 available for new allocations had been broken down into the amounts held in cash and in promissory notes, indicated separately, as well as the dates for the encashment of the promissory notes spanning the period 2007 to 2009, when known.

24. The Treasurer explained that, as at 16 March 2007, the Fund held nearly US \$27.1 million in cash and some US \$30.4 million in promissory notes. Germany, Greece, Hungary, Italy, Latvia, the Netherlands, New Zealand, Slovenia and Sweden had made cash payments, encashed promissory notes or made payments in the form of bilateral assistance. He said that total income, including cash payments, promissory notes, bilateral cooperation assistance, interest and miscellaneous income amounted to US \$2.207 billion.

25. The representative of UNDP drew attention to some discrepancy between the amount indicated in the report of the Treasurer and the amounts recorded in its report for 2005 and in the allocations made at the 48<sup>th</sup>, 49<sup>th</sup> and 50<sup>th</sup> Meetings of the Executive Committee.

26. The representative of Canada said that Australia had forwarded its contribution to the Fund on 9 March 2007.

27. The representative of Sweden informed the Committee that, owing to new internal procedures, payment of Sweden's contribution had taken longer than foreseen. The transfer of the 2007 contribution had now been approved and payment would be made in the following weeks. He noted with satisfaction that the use of the fixed-exchange-rate mechanism had resulted in a gain of some US \$24 million for the Fund.

28. Several Members expressed concern at a lack of liquidity and of adequate resources to allow projects to be approved. The year 2007 would be an important one for the Fund and the 2010 deadline was approaching quickly. Accordingly, all contributors were urged to make their payments in a timely manner.

29. The Treasurer thanked the representatives of Canada and Sweden for their information and promised the Executive Committee that he would continue to monitor the progress of contributions to the Fund during the Meeting. He also noted that the general discussion had supported the position urged by the Treasurer and welcomed the approach advocated. He suggested that the issue raised by UNDP be resolved when considering the reconciliation of the Fund's accounts.

30. Following the discussion, the Executive Committee decided:

- (a) To note with appreciation the new and more informative report of the Treasurer on the status of contributions and disbursements contained in Annex I to the present report, which provided additional information on promissory notes;
- (b) To note with concern the 9.87 per cent ratio of payments to 2007 pledges at the first meeting of the year; and
- (c) To again urge all Parties to pay their contributions to the Multilateral Fund in full as early as possible.

**(Decision 51/2)**

#### **AGENDA ITEM 5: REVIEW OF PROMISSORY NOTES POLICY (FOLLOW-UP TO DECISION 50/44(c))**

31. The Treasurer introduced the review of promissory notes policy contained in document UNEP/OzL.Pro/ExCom/51/4, prepared in response to Executive Committee decision 50/44(c). He said that the Fund's resource liquidity levels had changed and that had modified the use of promissory notes. Difficulties had arisen because of the inflexibility of some Parties using promissory notes and it was not always possible to speed up their encashment. Implementing agencies were also reluctant to accept promissory notes that were not encashable on demand as they needed full funding before they could commence implementing projects. It had been suggested that, as a way forward, the six Parties using promissory notes be asked to allow for their encashment on demand or to make their contributions in cash.



32. As in the case of the previous agenda item, several Members expressed concern at the liquidity problems raised by the Treasurer and highlighted the need for adequate funding to finance approved projects. Contributors were again called upon to make their payments in a timely manner and to encash their promissory notes when so requested by the Treasurer in order to enable approved projects to be financed.

33. In response to a request for clarification on payments by countries with economies in transition, the Treasurer drew the attention of the meeting to table 2 in document UNEP/OzL.Pro/ExCom/51/3/Rev.1, which contained a summary of outstanding contributions for countries with economies in transition. In recent years the proportion of outstanding contributions had been reduced, but substantial arrears still remained.

34. It was noted that several of the Parties making their contributions in the form of promissory notes were not in a position to change the method of payment during the current replenishment period.

35. Following the discussion, the Executive Committee decided:

- (a) To note the report of the Treasurer on the review of the Executive Committee's policy on promissory notes as requested by decision 50/44(c), contained in document UNEP/OzL.Pro/ExCom/51/4;
- (b) To recall paragraph 180 of the report of the 50<sup>th</sup> Meeting of the Executive Committee in which the Treasurer drew the Committee's attention to the reluctance of implementing agencies to accept promissory notes that were not encashable on demand, keeping in mind existing agreements between the Executive Committee and the implementing agencies on the acceptance of promissory notes;
- (c) To request Parties continuing to use promissory notes to do their utmost to meet the Treasurer's request for their accelerated encashment in order to mitigate cash flow problems; and
- (d) To encourage Parties, in the context of the 2009-2011 replenishment, to make their contributions in the form of cash in order not to delay project implementation by implementing agencies.

**(Decision 51/3)**

## **AGENDA ITEM 6: REPORT ON BALANCES AND AVAILABILITY OF RESOURCES**

36. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/51/5 and Add.1, which contained: information on the return of balances from completed projects and cancelled projects; a request by Cuba to transfer all the funds approved at the 47<sup>th</sup> Meeting for the chiller project in that country (CUB/REF/47/DEM/35) from Canada to UNDP for implementation of the project; a summary of the total resources available for programming at the 51<sup>st</sup> Meeting; and reporting by the World Bank on balances from completed tranches of MYAs. The addendum had been issued to include a report by UNIDO on projects to which

miscellaneous charges had been assigned and the return of balances from Sweden for the national ODS phase-out plan in Serbia (YUG/PHA/34/TAS/22 and YUG/PHA/47/TAS/29) and their transfer to UNIDO.

37. The representative of the Secretariat informed members that US \$206,668 in project funds and US \$24,678 in support costs had been returned from completed and cancelled projects. He also said that implementing agencies held balances totalling US \$3,077,442 for projects completed over two years previously. Taking into account the status of contributions as at 16 March 2007, as presented to the Meeting by the Treasurer, as well as the transfer of funds to UNDP and UNIDO, the total sum available for approvals at the 51<sup>st</sup> Meeting was US \$57,031,609. That sum would be insufficient to cover all the requests for funding to be discussed at the 51<sup>st</sup> Meeting, which, prior to project review, amounted to US \$61,882,518. Given the information provided by Canada on Australia's payment on 9 March 2007, however, and the forthcoming payment by Sweden, the additional contributions meant that the resources available would almost suffice to cover the expected level of approvals.

38. The representative of the World Bank suggested that the issue of reporting by the Bank on balances from completed tranches of MYAs be dealt with under agenda item 8(b) on MYA-related issues. In response, one Member proposed that the two reporting methods be conducted in parallel. The World Bank could, on the one hand, report on the balances from completed tranches of MYAs and, on the other, provide more detailed reports in accordance with the new procedure being developed.

39. Following the discussion, the Executive Committee decided:

(a) To note:

- (i) The report on balances and availability of resources contained in documents UNEP/OzL.Pro/ExCom/51/5 and Add.1;
- (ii) The net level of funds being returned by the multilateral implementing agencies to the 51<sup>st</sup> Meeting against project balances totalling US \$206,668, which included the return of US \$115,285 from UNDP, US \$755 from UNEP, US \$58,499 from UNIDO, and US \$32,129 from the World Bank;
- (iii) The net level of agency fees being returned by the multilateral implementing agencies to the 51<sup>st</sup> Meeting against project support cost balances totalling US \$24,678, which included the return of US \$14,058 from UNDP, US \$44 from UNEP, US \$6,399 from UNIDO, and US \$4,177 from the World Bank;
- (iv) That implementing agencies had balances totalling US \$3,077,442, excluding support costs, from projects completed over two years previously, which included US \$408,173 plus support costs from UNDP, US \$868,125 plus support costs from UNEP, US \$1,562,328 plus support costs from UNIDO, and US \$238,816 plus support costs from the World Bank;

- (v) The return to UNIDO the amount of US \$254,918 for the projects listed in Annex II to document UNEP/OzL.Pro/ExCom/51/5/Add.1 in the light of decision 50/44;
- (vi) The return of US \$250,860 from Sweden for the transfer of the Swedish components of Serbia's national ODS phase-out plan (YUG/PHA/43/TAS/22 and YUG/PHA/47/TAS/29) and the transfer to UNIDO of US \$238,650, including US \$16,650 in support costs;
- (b) To note that US \$57,031,609 were available to the Executive Committee for approvals at the 51<sup>st</sup> Meeting;
- (c) To approve the transfer of US \$196,871 in project costs and US \$17,718 in support costs for the chiller project in Cuba (CUB/REF/47/DEM/35) from Canada to UNDP and a reduction in the level of Canada's bilateral contribution by US \$196,871 in project costs and US \$25,593 in support costs; and
- (d) To request the World Bank to report on balances from completed tranches of multi-year agreements, in line with the other implementing agencies.

**(Decision 51/4)**

## **AGENDA ITEM 7: 2007-2009 BUSINESS PLANS**

### **(a) Consolidated business plan of the Multilateral Fund**

40. The representative of the Secretariat introduced the document on the 2007-2009 consolidated business plan of the Multilateral Fund (UNEP/OzL.Pro/ExCom/51/6), which contained an overview of the 2007-2009 business plans of the bilateral and implementing agencies and the Secretariat's observations and recommendations. He indicated that, with funds remaining from 2006, the activities included in the 2007 business plans were within the budget. If all decisions from the 48<sup>th</sup> Meeting were to be implemented, the total amount required for activities for 2007-2008 would be within the overall budget for the 2006-2008 triennium. The document also addressed the US \$61 million available for activities not required by the three-year phase-out plan for compliance. Those activities were dealt with according to the categories consistent with decision 50/6. He highlighted elements of the business plans of individual implementing agencies, which would be considered in detail in the presentations by their representatives.

41. The Chair subsequently called on the representative of UNDP to present the results of UNDP's HCFC surveys in selected Article 5 countries set out in document UNEP/OzL.Pro/ExCom/51/Inf.2. At its 45<sup>th</sup> Meeting, the Executive Committee had approved activities to be implemented by UNDP, which included HCFC surveys in 12 countries. The goal was to enable the Executive Committee to establish a national aggregate level of HCFC consumption for those countries, against which projects and activities might be funded.

42. Nine surveys had been completed in time for the 51<sup>st</sup> Meeting. The remaining surveys should be available for presentation at the 52<sup>nd</sup> Meeting of the Executive Committee. The

representative of UNDP reported that current institutional frameworks employed for managing CFCs could be applied, with minor changes, to HCFCs and that data on HCFC consumption patterns generally matched previous reports to the Ozone Secretariat. The report indicated a breakdown per HCFC substance and the methods employed to undertake the surveys, and identified areas where further verification was necessary. In particular, the representative of UNDP indicated that the main challenge was associated with the current pattern of unconstrained growth, and that there was general agreement that action was needed to slow down the growth before the 2016 freeze target.

43. The Chair proposed a strategic discussion with respect to activities not required for compliance and the priorities for allocating unallocated funds, which could be further refined in the discussion of the individual agencies' business plans. The activities that did not emanate from the compliance-oriented model were divided into seven categories.

44. One Member considered it inadvisable to allocate funds to HCFC investment projects unless there was an adjustment to the current HCFC phase-out schedule under the Montreal Protocol bringing forward the dates for the HCFC freeze and phase-out. That, however, was an issue to be addressed by the Meeting of the Parties. It was therefore suggested that the discussions on HCFCs be postponed until after the next Meeting of the Parties or, as agreed at the 48<sup>th</sup> Meeting of the Executive Committee, early in 2008. It was also proposed that effective synergies between the climate change activities of the United Nations Framework Convention on Climate Change and those of the Montreal Protocol regarding CFCs and HCFCs be a key priority and that maximum resources be allocated to that endeavour. One Member noted the absence of HCFC activities in Africa and the European and Central Asia Network despite proposals submitted by countries in those regions. Another said that the Executive Committee should be forward-looking and include HCFCs in the list of priorities in order to gain experience from surveys and demonstration or pilot projects.

45. The Executive Committee was asked to consider the need to develop further guidance on eligible incremental costs for HCFC activities. Certain Members wondered, however, whether the discussion was premature, given that there was no compliance obligation until 2016.

46. The Chair then called upon a representative of Italy to present a study on HCFC consumption and production in China, implemented by Germany. The aim of the study was to establish updated levels of HCFC consumption and production and a technical assessment had been made that evaluated all current production and consumption of HCFCs for solvent, foam, refrigeration and air-conditioning applications, as well as other marginal uses of HCFCs. The study established that in 2005 China had become the world's largest HCFC producer and consumer and that there were more than 20 HCFC producers in China with a total capacity of over 460,000 tonnes per year and an actual output of 369,697 tonnes of HCFCs in 2005. The forecast outlined a total unconstrained output of 675,150 tonnes in 2015, including feedstock, and a domestic demand of 300,311 tonnes of HCFCs corresponding to an ozone-depleting potential of 22,000 ODP tonnes.

47. The report described the various alternatives and forecast scenarios, the related policy measures and proposed activities, the action plan and cost implications, and explored three possible HCFC phase-out scenarios with a combination of production limits and measures to build capacity in public and private institutions. It also outlined provisions for required funding and financial support, as well as cost estimates evaluating production line conversions, new types

of compressors, alternative refrigerants and savings from improved energy efficiencies for end-users. The estimates had been based on the conversion of HCFC-22 to R-410a, but other possible alternatives had not been assessed owing to a lack of accurate data on costs and efficiency savings. The total cost for the conversion of room air conditioners for the period between 2007 and 2015 was estimated to be RMB 14.4 billion, two-thirds of which reflected the conversion of the compressor production to non-HCFC-22 refrigerants.

48. One Member also pointed out that the report estimated that the cost of the second scenario could be about US \$2 billion, which was equal to the total cost of Multilateral Fund activity since 1991, and that consideration of that scenario would not prejudice any commitment of future funding from the Multilateral Fund.

49. Another Member expressed his disappointment with the analysis in the survey and noted that no attempt had been made to incorporate the Executive Committee guidelines on funding eligibility into the study. He said that there was no indication of how much of the HCFC under consideration was eligible for funding.

50. A number of Members stressed the importance of the study as well as the pressing problem presented by the exponential growth in HCFC production and consumption. They considered that it was important for the Executive Committee to take timely action to address the problem, and that there was a need for further surveys and inventories of HCFCs in Article 5 countries. Other Members felt that HCFCs had to be addressed by the Meeting of the Parties before the Executive Committee could take up the issue. It was also noted that there were six proposals relating to HCFCs for consideration at the Nineteenth Meeting of the Parties and that, while HCFCs were an important emerging issue, CFC phase-out remained the Multilateral Fund's immediate priority.

51. In the ensuing discussion, there was agreement that combating illegal trade in ODS should be maintained in the business plans because Article 5 countries needed help in strengthening control measures and implementation at local level. Some Members suggested such activities should be considered, but on a case-by-case basis.

52. The ODS disposal issue was considered by some as crucial for Article 5 countries in dealing with unwanted ODS that might otherwise be released into the atmosphere. Other Members, however, were against the conduct of any activities beyond those already approved in Japan's 2008 business plan.

53. One Member supported the idea of funding halon banking projects in countries with no halon consumption as, pursuant to decision 47/10, countries with zero halon baselines but a low level of documented halon inventories were permitted to submit project proposals to manage their halon stocks. With respect to UNEP's proposal for the long-term management of halon banks, it was suggested as an alternative that UNEP, through its Compliance Assistance Programme (CAP) halon officer, should prepare a study on halon banking operations in Article 5 countries, and that a sum of US \$40,000 might be allocated to assist its efforts.

54. Regarding methyl bromide (MB) non-investment projects, it was pointed out that, pursuant to decision 46/16, one Latin American country had revised its deadline for phasing out MB from 2010 to 2013 as it had faced difficulties in meeting the original deadline. One Member interpreted that to be an indication of the need for extra resources to be allocated to assist

accelerated phase-out of MB. Furthermore, a Member from a non-Article 5 country said that his country was experiencing difficulties in finding alternatives to MB for certain uses and thus he was unsure whether Article 5 countries would find it any easier to achieve accelerated phase-out. However, other Members supported retaining an allocation in the business plans for accelerated phase-out of MB.

55. In response to a request for a clarification with respect to GEF activities, the representative of the Secretariat said that the only activities included in that category were those for Armenia consisting of terminal phase-out management plan (TPMP) preparation and a TPMP. The representative of UNEP also clarified that, pursuant to decision 46/21(c), phase-out activities for Turkmenistan had not been included in its business plan nor in that of UNIDO. The representative of the Czech Republic encouraged the Executive Committee to reconsider decision 46/21 and consider providing assistance from the Multilateral Fund for ODS phase-out activities in Turkmenistan at a future meeting of the Executive Committee.

56. In response to a question on the amounts of CTC that might have been under-reported, as mentioned in the evaluation report, the representative of the Secretariat clarified that the business plans addressed all reported CTC except for CTC in those countries with no CTC to address.

57. Concern was expressed that requests for funding for regional metered-dose inhaler (MDI) transition strategies might entail duplication of funding for individual country strategies. It was pointed out, however, that a group of countries receiving funding on an individual basis could choose to pool their resources and work together on a regional level. The representative of UNDP clarified that the agency was not requesting funds for the creation of a regional strategy for the Latin American region, but rather for country strategies in five individual Caribbean countries.

58. Having considered the priorities for the 2006-2008 triennium for the US \$61 million not directly required for compliance with control measures up to the year 2010, the removal or maintenance of any non-priority activities in the 2007-2009 business plans, the need for the development of further guidance on eligible incremental costs for HCFC activities, the report on HCFC surveys by UNDP, and Germany's study on HCFC consumption and production in China, the Executive Committee decided:

- (a) To note the 2007-2009 consolidated business plan of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/51/6 without prejudice to consideration of the individual business plans;
- (b) To regard the following areas as priorities when allocating the US \$61 million in unallocated funds to activities not required for compliance, according to the compliance-oriented, model rolling three-year phase-out plan for 2007-2009:
  - (i) Additional funding initiatives outside the budget, namely:
    - a. Additional activities/studies currently outside the budget, on a case-by-case basis;
    - b. CFC solvents;

- c. Activities in countries that were currently not Parties, on the understanding that funds would not be disbursed until the country had become a Party;
  - d. Terminal phase-out management plan (TPMP) preparation and a TPMP for Armenia;
  - e. Institutional strengthening, on a case-by-case basis;
  - f. Methyl bromide (MB) consumption in Parties that had not ratified the Copenhagen Amendment, on the understanding that funds would not be disbursed until ratification had occurred, not even for project preparation;
  - g. Acceleration of CFC production phase-out;
- (c) Also to consider the following areas as priorities, on a case-by-case basis:
- (i) Combating illegal trade;
  - (ii) Halon not required by model rolling three-year phase-out plan;
  - (iii) Accelerated MB phase-out;
  - (iv) MB non-investment projects;
  - (v) Metered-dose inhaler activities, in accordance with decision 51/34;
- (d) To remove HCFC activities and ODS disposal from the 2007-2009 business plans for the time being on the understanding that those issues would be considered at the first meeting of the Executive Committee in 2008; and
- (e) To urge bilateral and implementing agencies to increase their efforts to implement approved projects to facilitate achieving the 2007 reduction in controlled substances, noting that 35,945 ODP tonnes were scheduled to be phased out in 2007 from approved projects.

**(Decision 51/5)**

**(b) Business plans of the implementing agencies**

**(i) Bilateral agencies**

59. The representative of the Secretariat introduced the document on the bilateral agencies' business plans for the years 2007-2009 (UNEP/OzL.Pro/ExCom/51/7), in which the Governments of Canada, France, Germany, Italy and Japan provided information on their planned bilateral activities for 2007-2009.

60. Following the introduction by the representative of the Secretariat, some concern was expressed regarding the proposal by Germany to pay part of the last tranche of India's NPP with funds from the 2009-2011 triennium. An explanation was provided for that approach, which was linked to the German Government's stipulation that no more than 80 per cent of its contribution to the Fund could be in the form of cash or promissory notes payment. Given the difficulty involved in planning Germany's 20 per cent contribution in the form of bilateral projects to the last dollar, the German bilateral agency had adopted the practice of over-planning and subsequently finding solutions to keep from exceeding the 20 per cent limit. In the case of the India NPP, the solution to split funding for the 2008 tranche had been proposed with India's agreement.

61. Another approach adopted by Germany as part of its planning exercise involved making a commitment to partner countries to find alternative funding for any projects that could not be accommodated in Germany's business plan without exceeding its 20 per cent contribution in the form of bilateral projects. That was the case for the proposed TPMP projects in Angola, Botswana and Swaziland. It was reported that a final determination regarding whether the projects for Botswana and Swaziland could remain in Germany's business plan would be forthcoming in June 2007. However, a request had been submitted by UNDP and UNEP to implement the TPMP project for Angola. Given that situation, Germany, UNDP and UNEP were asked to coordinate on the matter. It was also stated that it was generally desirable for bilateral and implementing agencies preparing TPMPs in a given country to coordinate with any agencies that might have experience in implementing projects in various sectors in that country in order to prevent potential overlaps and to benefit from mutual experience.

62. Following the discussion on Germany's business plan, the TPMP for Angola, the value and activities in all the bilateral plans including project overlaps and the CFC-113 solvent project in Italy's business plan, the Executive Committee decided:

- (a) To note with appreciation the 2007-2009 business plans on bilateral cooperation, without prejudice to the Parties' discussions on replenishment following the 2006-2008 triennium, submitted by Canada, France, Germany, Italy and Japan as addressed in document UNEP/OzL.Pro/ExCom/51/7;
- (b) To note the agreement of India to the proposed procedure to accommodate activities in Germany's 2007 and 2008 business plans that currently exceeded its bilateral contribution, which involved funding part of the 2008 tranche for India's national phase-out plan in 2009;
- (c) To request Germany to report to the 52<sup>nd</sup> Meeting on the proposed terminal phase-out management plan (TPMP) projects for Botswana and Swaziland noting that if, at that time, Germany did not have sufficient funds available in its 20 per cent allocation for the triennium, Germany would consult with the relevant countries and the bilateral and implementing agencies regarding the transfer of those projects, reaching a decision agreed by all the parties involved concerning the transfer of those projects;
- (d) To note that the TPMP for Angola had been removed from Germany's business plan, at the request of Germany;



- (e) To maintain the CFC-113 solvent project for the Democratic Republic of the Congo included in Italy's 2007 business plan in light of decision 35/57; and
- (f) To urge bilateral agencies and implementing agencies to coordinate with each other when preparing TPMP proposals.

**(Decision 51/6)**

**(ii) UNDP**

63. The representative of UNDP presented UNDP's business plan for the years 2007-2009 (UNEP/OzL.Pro/ExCom/51/8). She highlighted the importance of allocating preparatory funds for MDI transition strategies, and the inclusion of MDI investment projects for 2008 for three countries requesting project preparation in 2007, and indicated that UNDP would present the investment component of the MDI project in Bangladesh at the 52<sup>nd</sup> Meeting of the Executive Committee.

64. The representative of UNDP agreed to remove the global MB information exchange project from the business plan. She explained that the removal of the global MB information exchange project had not been caused by a lack of coordination with other implementing agencies, but as coordination was time-consuming she preferred to remove the project rather than run the risk that UNDP could not devote sufficient time to it. She reported on areas of possible overlap, noting that letters had been received from the Governments of Angola, India and Pakistan clarifying and reaffirming activities to be included in UNDP's business plan. She also indicated that UNDP had received a letter from the Government of Nigeria informing it that MDI-related activities would be transferred to UNIDO.

65. As mentioned under the consolidated business plan, she clarified that the agency was not requesting funds for the creation of a regional MDI strategy for the Latin American region, but rather for country strategies in five individual Caribbean countries. She went on to explain that the countries had approached UNDP for assistance in collecting and analysing data in order to demonstrate that an MDI transition strategy was needed and that, without project preparation funds, UNDP could not assist the national ozone units (NOUs) in providing the information requested to justify the need for national MDI strategies (see decision 51/34).

66. Having considered the global MB information exchange project, the MDI strategies, the possible overlap with activities of other agencies, and the performance indicators, the Executive Committee decided:

- (a) To endorse the 2007-2009 business plan of UNDP as contained in document UNEP/OzL.Pro/ExCom/51/8 in line with decision 51/5 on the consolidated business plan, without prejudice to the decision of the Parties on replenishment for the year 2009 and beyond, while noting that endorsement denoted neither approval of the projects identified therein nor their funding levels;
- (b) To remove:
  - (i) The global methyl bromide information exchange project and the metered-dose inhaler (MDI) project for Nigeria, at the request of UNDP;

- (ii) Project preparation for MDI transition strategies; and
- (c) To approve the performance indicators for UNDP as contained in Annex II to the present report, while setting a target of 45 for the number of annual programmes of approved multi-year agreements (MYAs), a target of 22 for the number of individual projects approved and a target of 20 for the milestone activities completed for MYAs.

**(Decision 51/7)**

**(iii) UNEP**

67. The representative of UNEP presented UNEP's business plan for the years 2007-2009 (UNEP/OzL.Pro/ExCom/51/9). He addressed several activities in the plan, including the use of economic instruments to provide long-term financing for sustained phase-out, capacity-building for teachers on ozone protection, support to the South-East Asia and Pacific (SEAP) Network, combating illegal trade, integrated enforcement training under the Montreal Protocol through the Green Customs Initiative, long-term management of halon banks, and MB. He also indicated that Sweden had agreed to fund the South-East Asia and Pacific (SEAP) Network and the enforcement networks for South-East and South Asia.

68. The Meeting discussed the proposed study on the use of economic instruments to provide long-term financing for sustained phase-out, and some questions were raised as to whether it was necessary for compliance. Similarly, the activity on capacity-building for teachers was supported by some Members while others considered that it was not necessary for compliance. It was also mentioned that UNEP's CAP had the flexibility to address those types of activity. Moreover, several manuals had been produced and were available for teaching purposes.

69. A discussion was also held on UNEP's Green Customs Initiative, including whether it was necessary for compliance. Some Parties were of the view that it addressed decision XVII/16 of the Seventeenth Meeting of the Parties, that enforcement was at the core of achieving compliance, and that the activity should remain in the business plan. An observer from the Environmental Investigation Agency noted that UNEP's CAP and Green Customs Initiative provided valuable information and support for countries to help them achieve compliance and address smuggling of ODS. Some Members also underlined the importance of the initiative in combating illegal trade in ODS. However, there were some queries as to the scope and the budget associated with the activity and how funding from the Multilateral Fund would be combined with funding from other MEAs. There was some concern that the Multilateral Fund might be providing the majority of the funding for the project and that the benefits would be reaped by the other MEAs. There was also discussion of the possibility of subsequent approval of the initiative by the Executive Committee at a lower level of funding on the basis of more detailed information to be provided by UNEP.

70. With respect to halon banks, the Government of Canada had proposed that US \$40,000 be allocated to fund a study to investigate the challenges associated with halon banking and propose methods for improving halon banks, in lieu of UNEP's proposed activity for long-term management of halon banks (see paragraph 53). The MB non-investment projects not required for compliance were also not maintained in the business plan.

71. Following the discussion, the Executive Committee decided:
- (a) To endorse the 2007-2009 business plan of UNEP as contained in document UNEP/OzL.Pro/ExCom/51/9 in line with decision 51/5 on the consolidated business plan, without prejudice to the decision of the Parties on replenishment for the year 2009 and beyond, while noting that endorsement denoted neither approval of the projects identified therein nor their funding levels;
  - (b) To remove:
    - (i) The methyl bromide (MB) activity for Trinidad and Tobago, at the request of UNEP;
    - (ii) The study on the use of economic instruments to provide long-term financing for sustained phase-out;
    - (iii) Capacity-building for teachers on ozone protection;
    - (iv) The proposed activity for long-term management of halon banks, and to allocate instead US \$40,000 to fund a study on the current state of all halon banks supported by the Multilateral Fund, their management capacity, the quantities of halon reclaimed and reused as a result of those banks, problems experienced, and strategies to ensure that the banks could operate without requesting further assistance from the Multilateral Fund, with the proposal for the study to be presented to the 52<sup>nd</sup> Meeting;
    - (v) Analysis of HCFC technologies;
    - (vi) Non-investment MB projects; and
    - (vii) Regional metered-dose inhaler (MDI) transition strategies for five regions.
  - (c) To note with appreciation the confirmation of funding by Sweden, outside the Multilateral Fund, of the South-East Asia and Pacific Network and the enforcement networks for South-East and South Asia and to remove them from UNEP's business plan;
  - (d) To add a component of the MDI activity for Pakistan, as agreed with Pakistan and UNDP;
  - (e) To add a component, pursuant to decision XVII/14 of the Seventeenth Meeting of the Parties, on the organization of regional workshops on MDIs and to allocate US \$200,000 for the activity;
  - (f) To maintain the allocation of US \$500,000 for the Green Customs Initiative in UNEP's business plan, while reserving the right to consider funding at a lower level, and to request that UNEP submit to the 52<sup>nd</sup> Meeting a more comprehensive proposal with respect to that Initiative, with the expectation that it would include: a detailed description of how the Multilateral Fund resources would be used solely for including issues related to trade in ODS in the larger Green Customs

Initiative, and of the relationship between Multilateral Fund resources and the resources being provided by other multilateral environmental agreements and bilateral agencies; a clear indication of the budget; an indication of the activity's relevance for the ozone layer and ODS; and a proposal that progress should be monitored with full accounting of monies spent in accordance with the Multilateral Fund and Executive Committee guidelines; and

- (g) To approve the 2007 performance indicators and targets for UNEP as contained in Annex III to the present report, while setting a target of 35 for the number of annual programmes of multi-year agreements (MYAs) to be approved, a target of 30 for the number of individual projects approved and a target of nine for milestone activities completed/ozone-depleting substances levels achieved for approved MYAs.

**(Decision 51/8)**

**(iv) UNIDO**

72. The representative of UNIDO presented UNIDO's business plan for the years 2007-2009 (UNEP/OzL.Pro/ExCom/51/10), which had been prepared on the basis of the previous three-year rolling business plan. The 2007 business plan gave priority to Article 5 countries in need of immediate assistance to meet their consumption and production obligations under the Montreal Protocol and focused not only on countries in non-compliance but also on those in potential non-compliance.

73. He also said that while the Executive Committee had to date approved 13 HCFC surveys in Asian and Latin American countries, no HCFC surveys had yet been approved for Africa and Article 5 countries in the European and Central Asia Network. Consumption and production of HCFCs had increased during recent years and he said that the sheer volume of HCFC consumption would necessitate timely action to save the ozone layer and to enable future compliance of Article 5 countries with their obligations under the Montreal Protocol. UNIDO had also received a letter from South Africa requesting inclusion of HCFC activities, MDI activities and ODS destruction activities in the 2007-2009 business plan, but the request had been received after the deadline for submissions for the current meeting.

74. One Member said that there was a need for specific MB projects in Africa and stressed that currently many agricultural producers had no alternative to MB. He said that there was a need to reinforce the capacity of the countries concerned and suggested that UNIDO coordinate its efforts with the Food and Agriculture Organization and the field farm schools.

75. In response to a question regarding the request for inclusion of activities relating to HCFCs, MDIs and ODS destruction for South Africa, the Chair suggested that UNIDO inform the Government of South Africa that the issues of HCFCs and disposal had not been taken up by the Executive Committee and it was decided that they could not be included in the 2007-2009 consolidated business plan.

76. Following the discussion, the Executive Committee decided:

- (a) To endorse 2007-2009 business plan of UNIDO as contained in document UNEP/OzL.Pro/ExCom/51/10 in line with decision 51/5 on the consolidated business plan, without prejudice to the decision of the Parties on replenishment for the year 2009 and beyond, while noting that endorsement denoted neither approval of the projects identified therein nor their funding levels;
- (b) To remove:
  - (i) The metered-dose inhaler (MDI) phase-out project in Pakistan, at the request of UNIDO; and
  - (ii) The MDI transition strategy for Kyrgyzstan.
- (c) To request implementing agencies to investigate, where appropriate, the need for MB activities for countries with low volumes of MB consumption in the context of their preparation of terminal phase-out management plans for low-volume-consuming countries regardless of the status of ratification of the Copenhagen Amendment; and
- (d) To approve the performance indicators for UNIDO set as contained in Annex IV to the present report, while setting a target of 32 for the number of annual programmes of multi-year agreements approved, a target of 22 for the number of individual projects approved, a target of 20 for milestone activities completed/ODS levels achieved for approved multi-year agreements, and a phase-out target for individual projects of 346.2 ODP tonnes for 2007.

**(Decision 51/9)**

**(v) World Bank**

77. The representative of the World Bank presented the World Bank's business plan for the years 2007-2009 (UNEP/OzL.Pro/ExCom/51/11). He said that it consisted of both investment and non-investment activities to assist Article 5 countries in adhering to their current and future obligations under the Montreal Protocol. The proposed 2008 business plan included two global technical assistance activities, namely, an assessment of existing ODS disposal technologies and an analysis of existing and emerging technologies for HCFC phase-out and of the global socio-economic implications of various phase-out activities. Both activities were proposed as pilot studies and were to be considered in the 2008 business plan of the World Bank.

78. In response to a request for clarification on the process for reconsidering ODS disposal activities and HCFC activities, the Chair said that the Executive Committee had agreed to reconsider the issues at its first meeting in 2008. He explained that the implementing agencies would not include projects and activities for HCFCs or ODS disposal in their 2008 business plans as the Committee had agreed to remove such activities from the 2007-2009 consolidated business plan, but that the Executive Committee could consider adding such projects after it had discussed the issue at its first meeting in 2008.

79. One Member stressed the importance of projects for the recycling, recovery and reuse of CFCs and the link between such projects and the price of CFCs. He said that the principal reason for the low rate of recovery and reuse of CFCs was their continued low price, which had decreased in some areas. In order to increase the price, it was necessary to take measures to accelerate the elimination of CFC production. He noted with approval that Mexico had ceased to produce CFCs and that the United States of America had a bilateral project to accelerate the phase-out of CFC production in China. He suggested that the World Bank be requested to prepare a project for the accelerated phase-out of CFC production in India.

80. Another Member endorsed the proposal for projects for accelerated phase-out of CFC production and suggested that similar projects for CTC also be considered.

81. Following the discussion, the Executive Committee decided:

- (a) To endorse the 2007-2009 business plan of the World Bank as contained in document UNEP/OzL.Pro/ExCom/51/11 in line with decision 51/5 on the consolidated business plan, without prejudice to the decision of the Parties on replenishment for the year 2009 and beyond, while noting that endorsement denoted neither approval of the projects identified therein nor their funding levels;
- (b) To transfer the halon consumption phase-out project in Chile (CHI/HAL/42/TAS/156) from the World Bank to UNDP at the amount of US \$60,000 plus agency support costs of US \$4,500;
- (c) To approve the performance indicators for the World Bank as contained in Annex V to the present report, while setting a target of 19 for the number of annual programmes approved, a target of four for the number of individual projects approved and a target of 18 for the number of milestone activities to be completed; and
- (d) To request the World Bank to investigate the possibility of undertaking projects for the accelerated phase-out of production of CFC and CTC, and to report back to the Executive Committee on any issues it encountered.

**(Decision 51/10)**

## **AGENDA ITEM 8: PROGRAMME IMPLEMENTATION**

### **(a) Monitoring and evaluation**

#### **(i) Final report on the evaluation of CTC phase-out projects and agreements**

82. The Senior Monitoring and Evaluation Officer presented the final report on the evaluation of CTC phase-out projects and agreements (UNEP/OzL.Pro/ExCom/51/12).

83. He reported the evaluation's finding that all but eight Article 5 countries had met the 2005 target of an 85 per cent reduction in consumption. The main risk to sustaining phase-out lay in the fact that, unlike other controlled substances produced for specific uses, CTC was also generated as a by-product and therefore its availability could always be presumed despite the end

of deliberate CTC production. Successful phase-out depended on controlling and eliminating the demand for controlled uses and further developing outlets for feedstock uses for non-ODS products. That, and the fact that any opportunities to sell co-produced CTC for process agent or solvent uses might bring higher returns than CTC destruction, made ongoing monitoring systems vital.

84. Following the presentation, there was some discussion on the issue of CTC use for feedstock and process agent applications. One Member pointed out that the use of CTC in his country had been evaluated as a process agent use for its documented use until 2000 by the Protocol's Technology and Economic Assessment Panel (TEAP) in a previous report, and that further information on continuing use, as requested by the Eighteenth Meeting of the Parties to the Montreal Protocol, would be provided to the TEAP for review and presentation to the Parties at the 27<sup>th</sup> Meeting of the Open-ended Working Group and the Nineteenth Meeting of the Parties. It was also suggested that ongoing monitoring and guidance would be very useful, given the complexity of the CTC sector. It was further noted that China would clarify the baselines for CTC production and consumption by the first meeting of the Executive Committee in 2008.

85. Following the discussion, the Executive Committee decided:

- (a) To take note of the findings presented in the final report on the evaluation of CTC phase-out projects and agreements (document UNEP/OzL.Pro/ExCom/51/12);
- (b) To request the World Bank to continue to provide a summary of China's CTC consumption data under CTC sector plan, Phase I and II in tentative form to the first Executive Committee meeting of the year, and in a final form to the second meeting of the year;
- (c) To request China, in cooperation with the Ozone Secretariat, the Fund Secretariat, and the World Bank, to clarify the baselines for CTC production and consumption and to report back to the Executive Committee as soon as possible;
- (d) To request implementing agencies to update the information on alternatives to CTC, especially in the solvent sector, avoiding as much as possible the use of trade names and of potentially carcinogenic solvents;
- (e) To request UNEP to organize discussions in regional network meetings about the possibility of voluntary agreements between CTC exporting and importing countries under which CTC exporting enterprises, prior to shipment, would have to request certificates from their importing clients that they had either verified feedstock use or had a valid import licence under the importing country's quota system, bearing in mind that decision VII/30 of the Seventh Meeting of the Parties required importers to provide exporters with a commitment that controlled substances imported for the purpose of being used entirely as feedstock in the manufacture of other chemicals should be used for that purpose only, and that importing Parties report the volumes of controlled ODS imported for that purpose to the Ozone Secretariat;
- (f) To recommend to CTC producers in India that they use a precautionary approach to CTC management by installing destruction facilities, if not yet available, in

case the feedstock outlets, essentially for DV acid chloride, should not grow as expected or would be squeezed by increasing CTC imports;

- (g) To take into account in future deliberations on the funding of institutional strengthening projects the need to maintain monitoring and verification of all CTC production and consumption beyond 2010; and
- (h) To request the Fund Secretariat to forward to the Technology and Economic Assessment Panel (TEAP), via the Ozone Secretariat, the final report on the evaluation of CTC phase-out projects and agreements (document UNEP/OzL.Pro/ExCom/51/12) so that it could be taken into account in the TEAP's further deliberations on process agents.

**(Decision 51/11)**

**(ii) Desk study on the evaluation of management and monitoring of national phase-out plans**

86. The Senior Monitoring and Evaluation Officer presented the recommendations contained in the desk study on the evaluation of management and monitoring of the national phase-out plans (NPPs) (UNEP/OzL.Pro/ExCom/51/13).

87. The objective of the evaluation was to complement that on refrigerant management plans (RMPs) and NPPs in non-low-volume-consuming (non-LVC) countries (document UNEP/OzL.Pro/ExCom/48/12). The desk study had reconfirmed the relevance and timeliness of evaluating the management, monitoring and verification aspects of the NPPs. It had also identified further evaluation issues, including the need: to review the indicators for assessing implementation delays and difficulties; to analyse the coordination foreseen and practised when several implementing agencies were engaged in implementing an NPP; to establish how the flexibility clause was being interpreted and utilized by the countries and the implementing agencies; and to assess the prospects for sustaining the phase-out results already achieved in the post-2010 period.

88. Following a discussion on the flexibility clause as it applied to the distribution of funds under an NPP to enterprises established after the cut-off date of July 1995, the Executive Committee decided:

- (a) To take note of the desk study on the evaluation of management and monitoring of national phase-out plans contained in document UNEP/OzL.Pro/ExCom/51/13, including the proposed evaluation issues and work plan for the second phase of the evaluation;
- (b) To request implementing agencies to seek authorization from the Executive Committee prior to using the flexibility provided for under multi-year agreements (MYAs) to allow funds to be directed to enterprises established after July 1995 in cases where countries had committed to the total phase-out of the ODS concerned; and



- (c) To request the bilateral and implementing agencies to report, as part of their regular periodic reporting under MYAs, whether they had used the flexibility clause for this purpose.

**(Decision 51/12)**

**(b) Issues related to monitoring and reporting on multi-year agreements (follow-up to decisions 49/6 (e) and 50/40)**

89. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/51/14, which had been prepared in response to the Executive Committee's requests at its 49<sup>th</sup> and 50<sup>th</sup> Meetings to track cumulative progress achieved in the annual work programmes of MYAs and to present a format for standardized overview tables. The document also proposed a new procedure for monitoring implementation difficulties in MYAs, whereby the need for an additional status report on implementation difficulties would be determined in the context of the review of annual implementation plans as decided by the Committee. The reporting format would also be consistent with that used for reports on implementation delays. The Secretariat suggested that the format in Annex I to the document UNEP/OzL.Pro/ExCom/51/14 should be adopted as an interim format for review after the 53<sup>rd</sup> Meeting.

90. Members of the Executive Committee noted with satisfaction that the Secretariat and the implementing agencies had made considerable progress in such a short period of time towards achieving standardization in reporting. The representative of the World Bank suggested that it would be useful to organize a workshop at the 53<sup>rd</sup> Meeting involving Members of the Executive Committee, the Multilateral Fund Secretariat and the implementing agencies to assess how the new template for reporting worked in practice, particularly in the context of the other reports submitted to the Executive Committee.

91. Following consideration of the report on issues related to monitoring and reporting on MYAs (follow-up to decisions 49/6(e) and 50/40) and the World Bank's proposal to organize a workshop on the new template at the 53<sup>rd</sup> Meeting, the Executive Committee decided:

- (a) To note the report on issues related to monitoring and reporting on multi-year agreements (MYAs) contained in document UNEP/OzL.Pro/ExCom/51/14; and
- (b) That:
- (i) Implementation difficulties were to be defined as activities for which no progress was detected in the context of the review of annual implementation plans;
  - (ii) Status reports on implementation difficulties in MYAs should be based on recommendations made during the review of annual implementation plans;
  - (iii) In cases where additional status reports were not agreed by the agency concerned, the Executive Committee would determine if a report was required;

- (iv) Status reports should be presented in the format of projects with implementation delays and should be considered in the context of that agenda item; and
- (v) Status reports should continue to be submitted until progress on the specific issue had been assessed by the Committee or until the next annual implementation plan was submitted;
- (c) To adopt the new format for MYAs, including terminal phase-out projects, on an interim basis, as contained in Annex VI to the present report, for review at the 53<sup>rd</sup> Meeting; and
- (d) To request the Secretariat to organize a workshop for implementing agencies and other interested Executive Committee Members in the margins of the 53<sup>rd</sup> Meeting to discuss reporting on MYAs in light of the experience gained in using the new standardized format.

**(Decision 51/13)**

**(c) Project implementation delays**

92. The representative of the Secretariat presented the report on project implementation delays (UNEP/OzL.Pro/ExCom/51/15), which also contained information on projects for which status reports were requested. He indicated that the Government of France had informed the Secretariat that, since the report had been submitted, the Government of the Syrian Arab Republic had achieved significant progress on the refrigeration project (SYR/REF/29/INV/48) and that a letter of possible cancellation was therefore not required. He also indicated that it had received a request from the Government of Côte d'Ivoire to transfer its RMP to UNIDO and that the return of funds for the transfer of the project would be addressed at the 53<sup>rd</sup> Meeting.

93. The representative of UNIDO indicated that there had been no confirmation from the Government of Ethiopia agreeing to cancel its solvent project (ETH/SOL/45/TAS/15). He said that the agency would be in a position to come back to the 52<sup>nd</sup> Meeting with further information on the project, but would not be able to consult with the Government of Ethiopia during the current Meeting of the Executive Committee.

94. The representative of UNDP indicated that a letter of possible cancellation should be sent to the Libyan Arab Jamahiriya with respect to its project on phase-out of CFC-11 by conversion to methylene chloride (LIB/FOA/32/INV/08), but that there might be positive developments to report at the 52<sup>nd</sup> Meeting of the Executive Committee. She indicated that the Government of Bangladesh had signed the project document and therefore could begin implementation of its NPP.

95. Several Members indicated that there had been a gradual increase in the number of delayed projects over past meetings and Members discussed whether to ask the Secretariat to undertake a study to analyse reasons for the delays in order to remove obstacles and help resolve them. The Chair and the Secretariat noted that several studies had already been concluded examining, in detail, reasons for implementation delays some of which had already resulted in updating rules. It was also clarified that several systems and procedures already existed within

the Secretariat and the implementing agencies to address countries with projects with implementation delays. Members considered that it would be useful to have a common understanding of the systems in place to follow up delays and therefore a report on those systems and procedures by the Secretariat would be helpful in order to ensure that the Executive Committee had all the information available to see what, if any, further studies and analysis would be needed in that area.

96. Following discussion of the cancellation of the project in Ethiopia, the signing of the project document in Bangladesh and the increasing number of delayed projects, the Executive Committee decided:

- (a) To note:
- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by Australia, Canada, France, Germany, Japan and the four implementing agencies, and the progress report submitted by Switzerland as contained in the document on project implementation delays (UNEP/OzL.Pro/ExCom/51/15);
  - (ii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress, some progress, or no progress) and report to and notify governments and implementing agencies as required;
  - (iii) The completion of 19 of the 66 projects listed with implementation delays; and
  - (iv) That letters of possible cancellation would be sent for the following projects:

Agency	Code	Project Title
World Bank	THA/HAL/32/INV/134	Terminal halon-1211 and halon-1301 phase-out project for fire equipment manufacturers and suppliers converting to ABC powder, CO <sub>2</sub> , HFC-227ea and inert gases for Thailand
UNDP	LIB/FOA/32/INV/08	Phase-out of CFC-11 by conversion to methylene chloride in the manufacture of flexible polyurethane foam at Ben Ghazi Unit for the Libyan Arab Jamahiriya

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

Agency	Code	Project Title	Milestone and Deadlines
UNEP	KEN/SEV/37/TAS/29	Policy and technical assistance for Kenya	Gazettement process should be completed by June 2007
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. in the Syrian Arab Republic	Equipment should be installed prior to the 53 <sup>rd</sup> Meeting

- (c) To agree to classify the halon banking project components for Australia (IND/HAL/32/TAS/281) and Canada (IND/HAL/32/TAS/278) as completed, with the understanding that India was committed not to import virgin halon and that the beneficiaries of the project would report recovered, recycled and reclaimed amounts of halon to the Ozone Cell for transmission to the Executive Committee through reporting on the implementation of country programmes;
- (d) To request the Government of Bosnia and Herzegovina to expedite the signing of the project document so as to enable the institutional strengthening project (BHE/SEV/43/INS/19) to proceed;
- (e) To request the Government of Uganda to expedite the implementation of its institutional strengthening project (UGA/SEV/13/INS/02) approved in July 1994;
- (f) To request the Government of the Libyan Arab Jamahiriya to expedite the financial arrangements so that the institutional strengthening project (LIB/SEV/32/INS/04) could move forward;
- (g) To request the Government of Algeria to provide a status report on the halon banking project (ALG/HAL/35/TAS/51) and its comments on the country programme update (ALG/SEV/43/CPG/60) to the Executive Committee to the 52<sup>nd</sup> Meeting as input into its deliberations on the possible cancellation of those projects;
- (h) To request the Government of France to provide a comprehensive progress report on the refrigerant management plan (RMP) in the Central African Republic (CAF/REF/34/TRA/8-9 and TAS/10-11) at its 52<sup>nd</sup> Meeting as required by decision 31/48;
- (i) To note the Government of Côte d'Ivoire's request to transfer its RMPs (IVC/REF/24/TAS/10 and IVC/REF/37/TAS/16) and its chiller project (IVC/REF/37/INV/17) currently being implemented by France, to UNIDO, with the transfer of funds to be reported at the 53<sup>rd</sup> Meeting;
- (j) To consider the cancellation or setting of a milestone for the training and awareness workshop in the solvents and process agents (CTC and TCA) sectors in Ethiopia (ETH/SOL/45/TAS/15) at the 52<sup>nd</sup> Meeting; and
- (k) To request the Fund Secretariat to include in its report to the 52<sup>nd</sup> Meeting on projects with implementation delays information on the procedures that were in place and the studies that had been undertaken in the past with respect to addressing projects with implementation delays.

**(Decision 51/14)**

**(d) Annual tranche submission delays**

97. The representative of the Secretariat presented the report on annual tranche submission delays (UNEP/OzL.Pro/ExCom/51/16), which contained information on submissions of annual

tranches of MYAs, including reasons for such delays, and on the new due dates for delayed tranches. He indicated that, at the 50<sup>th</sup> Meeting of the Executive Committee, the Secretariat had included a new section with respect to tranches that had been submitted but were incomplete. No such tranches had been received by the Secretariat for submission to the 51<sup>st</sup> Meeting.

98. After Members of the Executive Committee had congratulated the Secretariat on the timeliness and the clarity of its documentation, the Executive Committee decided to note:

- (a) The information on annual tranches of multi-year agreements (MYAs) submitted to the Secretariat by France, UNDP, UNEP, UNIDO and the World Bank contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/51/16);
- (b) That 16 of the 38 annual tranches of MYAs due for submission had not been submitted on time to the 51<sup>st</sup> Meeting; and
- (c) That letters should be sent for the annual tranches listed below that were due for submission to the 51<sup>st</sup> Meeting with the reasons indicated for the delay, and encouraging implementing agencies and the relevant Article 5 countries to submit those annual tranches to the 52<sup>nd</sup> Meeting:

Agency	Country	Sector	Tranches	Agencies' comments
World Bank	Antigua and Barbuda	CFC phase-out	2006	The grant agreement is not yet in place.
UNDP and UNEP	Bangladesh	ODS phase-out	2005 and 2006	Project document reported as having been signed at the meeting.
UNIDO	Bosnia and Herzegovina	ODS phase-out	2005	Lack of cooperation.
UNDP and UNEP	Dominica, Grenada, Saint Kitts and Nevis and Saint Vincent and the Grenadines	CFC phase-out	2007	UNEP and UNDP are developing administrative procedures to implement the 2007 tranches regionally for the four countries involved.
France	Kenya	CFC phase-out	2005	ODS regulations have not been gazetted.
UNIDO	Libyan Arab Jamahiriya	CFC phase-out	2006	The unclear status of the NOU.
UNIDO	Pakistan	CTC phase-out	2005	Awaiting incorporation of action plan recently approved by the Meeting of the Parties.
World Bank	Venezuela	CFC production	2007	Delay in the travel of the consultant to undertake the verification audit.

**(Decision 51/15)**

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

99. The representative of the Secretariat drew the Executive Committee's attention to document UNEP/OzL.Pro/ExCom/51/17, which consisted of four sections: Section I contained progress reports on the implementation of the national CFC phase-out plans of Afghanistan and Cuba; Section II contained the completion report on the implementation of the RMP in Burkina Faso, and progress reports on the implementation of the RMPs of Brunei Darussalam, Haiti and

Myanmar; Section III contained progress reports on the implementation of MB phase-out projects in Bolivia, Cuba, Kyrgyzstan, Sri Lanka and the UNDP technical assistance programme for Africa; and Section IV contained progress reports on the China halon sector plan and on the China sector plan for phasing-out the production of TCA.

100. The representative of the Secretariat reported on each project and the Executive Committee reviewed each request separately.

101. Following a discussion, the Executive Committee decided:

- (a) To note the progress report on the implementation of the national phase-out plan for Afghanistan, the 2005 audit report and the 2007 work programme;
- (b) With regard to Cuba:
  - (i) To note the progress report on the implementation of the national ODS phase-out plan for CFCs;
  - (ii) To request the Government of Cuba to sign the relevant project document as soon as possible; and
  - (iii) To allow the joint submission of the third and fourth tranches of the national ODS phase-out plan for CFCs to the 53<sup>rd</sup> Meeting of the Executive Committee on the condition that phase-out activities were being implemented and the funding available had been disbursed;
- (c) With regard to Burkina Faso:
  - (i) To note the submission by UNDP of the project completion reports for the incentive programme for the commercial and industrial refrigeration end-user sector and monitoring the activities in the refrigerant management plan (RMP);
  - (ii) To note that UNDP would return US \$43,116 to the Multilateral Fund at the 52<sup>nd</sup> Meeting of the Executive Committee; and
  - (iii) To consider authorizing the use of the remaining funding available from the RMP at the amount of US \$43,116 based on the progress report on the implementation of the first tranche of the terminal phase-out management plan and the request for the second tranche to be submitted by UNEP in 2008;
- (d) With regard to Brunei Darussalam:
  - (i) To request the Secretariat to send a letter to the Government of Brunei Darussalam urging it to ratify the amendments to the Montreal Protocol and, at the same time, to accelerate the implementation of the RMP project;

- (ii) To request UNDP and UNEP to review the phase-out strategy and plan of action proposed in the original RMP project taking into account the current situation of the refrigeration servicing sector in Brunei Darussalam; and
- (iii) To request UNEP to continue its efforts to communicate with the Government of Brunei Darussalam and to report back on progress achieved to the 52<sup>nd</sup> Meeting of the Executive Committee;
- (e) With regard to Haiti:
  - (i) To request UNDP and UNEP to review the phase-out strategy and plan of action proposed in the original RMP project, taking into account the current situation of the refrigeration servicing sector in Haiti; and
  - (ii) To request UNEP to report back on progress achieved in revising the plan of action and on the actual implementation of activities, such as the enactment of legislation and the training of refrigeration technicians, to the 52<sup>nd</sup> Meeting of the Executive Committee;
- (f) With regard to Myanmar:
  - (i) To request the Secretariat to send a letter to the Government of Myanmar urging it to accelerate the implementation of the RMP project;
  - (ii) To request UNEP and UNIDO to review the phase-out strategy and plan of action proposed in the original RMP project, taking into account the current situation of the refrigeration servicing sector in Myanmar, before actual implementation of the RMP commenced; and
  - (iii) To request UNEP to report back on progress achieved in revising the plan of action and on the actual implementation of activities, such as the enactment of legislation and the training of refrigeration technicians and custom officers, to the 52<sup>nd</sup> Meeting of the Executive Committee;
- (g) To take note of the progress report on the terminal methyl bromide (MB) phase-out plan, excluding quarantine and pre-shipment (QPS) applications, in Bolivia on the understanding that UNDP would submit the project completion report at the end of 2007;
- (h) To take note of the progress report on the implementation of the total phase-out of MB in soil, substrate, storage and structure fumigation in Cuba;
- (i) To take note of the progress report on terminal MB phase-out plan, excluding QPS applications, in Kyrgyzstan;
- (j) With regard to Sri Lanka:
  - (i) To request the Secretariat to send a letter to the Government of Sri Lanka requesting it to complete the implementation of the projects on alternatives

- to MB for eradication of tea nematodes, and on MB phase-out for all remaining uses, excluding QPS applications, in Sri Lanka no later than August 2007; and
- (ii) To request UNDP to submit relevant project completion reports at the end of 2007;
- (k) With regard to the technical assistance programme for Africa:
- (i) To note the progress report on the implementation of technical assistance for MB reductions and the formulation of regional phase-out strategies for low-volume-consuming countries in Africa;
  - (ii) To note that Mozambique had sent UNDP an official request withdrawing from the technical assistance programme;
  - (iii) To request UNDP, in coordination with the UNEP Compliance Assistance Programme, to continue assisting Angola, the Central African Republic, Ethiopia and Zambia in the ratification of the Copenhagen Amendment to the Montreal Protocol; and
  - (iv) To request UNDP to finalize implementation of the project and to submit a comprehensive report with specific conclusions and recommendations for consideration by the Executive Committee by the end of 2007;
- (l) With regard to China:
- (i) To note that US \$1,206,978 of the sector plan for halon phase-out for China would remain for capacity-building, to help China to comply with the Montreal Protocol commitments, for activities in the China Convention Compliance Centre, based on the shortfall in the number of CO<sub>2</sub> fire extinguishers produced, in accordance with decision 44/59;
  - (ii) To note the verification reports on TCA production in China for 2004 to 2006;
  - (iii) To commend the Government of China and the World Bank on achieving the production reduction targets as specified in the TCA production phase-out agreement;
  - (iv) To request the World Bank to submit a comprehensive report on the status of implementation of the TCA production phase-out agreement, including the efforts of the Government in implementing policies and technical assistance activities in 2008 when submitting the 2007 TCA production verification; and



- (v) To request the World Bank to confirm in 2008 the total dismantling of plant TCA 1, taking advantage of the implementation of other verification missions in China.

**(Decision 51/16)**

## **AGENDA ITEM 9: PROJECT PROPOSALS**

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

102. The representative of the Secretariat introduced an overview of issues identified during project review, which was contained in document UNEP/OzL.Pro/ExCom/51/18. No generic policy issues had been identified for consideration by the Executive Committee. He said that 73 funding requests had been received with a total value of some US \$61.8 million. Two lists of proposals had been included: those for blanket approval and a further seven projects for individual consideration. He recalled that the Treasurer had informed the meeting that only US \$57 million were currently available for project approvals and that a shortfall of US \$4 million might occur. He also recalled that two Parties had indicated that they were in the process of making their contributions and that, when received, they might eliminate that shortfall.

#### List of projects and activities submitted for blanket approval

103. The Chair drew Members' attention to the list of projects and activities recommended for blanket approval presented in Annex I to document UNEP/OzL.Pro/ExCom/51/18. He indicated that the development of the MDI transition strategy for Kyrgyzstan had been removed from the list for blanket approval, and that the umbrella project for terminal phase-out of ODS in the solvent sector for the Democratic Republic of the Congo and the tranche request for the NPP for Annex A (Group I) and Annex B (Groups II and II) substances for Indonesia had been added to the list for blanket approval.

104. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the level of funding indicated in Annex VII to the present report, which included the conditions or provisos contained in the corresponding project evaluation sheets and the conditions attached to projects by the Executive Committee;
- (b) To approve the agreement between the Government of Bolivia and the Executive Committee of the Multilateral Fund for the terminal phase-out management plan (TPMP) contained in Annex VIII to the present report at a total amount in principle of US \$540,000 plus agency support costs and the first tranche for the project at the amount indicated in Annex VII;
- (c) To approve the agreement between the Government of the Seychelles and the Executive Committee for the TPMP contained in Annex IX to the present report at a total amount in principle of US \$193,000 plus agency support costs and the first tranche for the project at the amount indicated in Annex VII; and

- (d) To approve in principle the umbrella project for the terminal phase-out of ODS in the solvent sector for the Democratic Republic of the Congo, at a total amount of US \$432,660 plus agency support costs, with the conditions contained in Annex VII to the present report, and the first phase for the project at the amount indicated in Annex VII.

**(Decision 51/17)**

**(b) Bilateral cooperation**

105. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/51/19 containing six requests for bilateral cooperation submitted by the Governments of Canada, France, Germany, and Italy. The only request fully addressed under the agenda item was that from the Government of Canada for a Latin American customs enforcement network. The requests from France, Germany, and Italy were to be considered under agenda item 9(d), Investment projects.

Latin American Region: Customs enforcement network

106. The representative of the Secretariat indicated that the Government of Canada, jointly with UNEP, had submitted a project to establish a regional enforcement network for Latin America, which was being recommended for approval for one year only. One Member asked for clarification as to whether the regional enforcement network included the Caribbean area as well as Latin America. He also said that it was the position of his Government that illegal trade was most effectively handled at the national level and that regional coordination was only useful to enable the different law enforcement officials to meet each other. Funding of such regional networks should therefore never be for more than one year. In response to the request, the Chair clarified that only Latin America was covered by the project.

107. Following a discussion, the Executive Committee decided to approve the customs enforcement network in Latin America for one year only, to be implemented by both the Government of Canada and UNEP, without prejudice to future funding approvals for the remaining two years proposed for the project, at the level of funding indicated in Annex VII to the present report.

**(Decision 51/18)**

Ethiopia: Project preparation for a terminal phase-out management plan

108. In the context of the discussion of project preparation for a terminal phase-out management plan (TPMP) for Angola (see paragraphs 112 to 115 below and decision 51/21), the Executive Committee decided to approve the request for TPMP preparation for Ethiopia submitted by the Government of France to the 50<sup>th</sup> Meeting, at the level of funding indicated in Annex VII to the present report, on the understanding that:

- (a) Funding would not be disbursed until such time as official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Ethiopia;

- (b) No further funding would be considered for Ethiopia until the country had ratified the London Amendment to the Montreal Protocol; and
- (c) In developing and subsequently implementing the TPMP, the agency should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for MB, CTC and/or TCA, as well as other CFCs.

**(Decision 51/19)**

### Bilateral contributions

109. The representative of the Secretariat said that, with the exception of Germany, all requests were within the 20 per cent allocation for bilateral cooperation. The amount of bilateral cooperation assigned to Germany's contribution exceeded that allowed for 2007 and in 2006 the Executive Committee had decided to inform the Parties of the amount by which bilateral cooperation exceeded 20 per cent of the contribution for the given year (decision 49/19(a)).

110. The Executive Committee decided:

- (a) In light of decision 49/19, to inform the Parties of the level of bilateral contribution assigned to Germany's contribution for 2008;
- (b) Following its consideration of the business plan issue identified in document UNEP/OzL.Pro/ExCom/51/7, to allow Germany to fund its bilateral projects; and
- (c) To request the Treasurer to offset the costs of the bilateral projects approved at the 51<sup>st</sup> Meeting as follows:
  - (i) US \$145,770 against the balance of Canada's bilateral contribution for 2007;
  - (ii) US \$169,500 against the balance of France's bilateral contribution for 2007;
  - (iii) US \$646,692 against the balance of Germany's bilateral contribution for 2007 and US \$572,818 against the balance of Germany's bilateral contribution for 2008; and
  - (iv) US \$325,937 against the balance of Italy's bilateral contribution for 2007.

**(Decision 51/20)**

### **(c) Work programmes and amendments**

#### **(i) Amendments to the 2007 work programme of UNEP**

111. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/51/20 which contained UNEP's work programme amendments. Twelve activities had been submitted by UNEP, including eight activities recommended for blanket approval that had been considered under agenda item 9(a), and four activities for individual consideration.

Angola: Project preparation for a terminal phase-out management plan

112. The representative of the Secretariat indicated that UNEP had submitted project preparation for a TPMP for Angola, to be implemented jointly with UNDP. However, Angola was one of the few countries that had not ratified the London Amendment to the Montreal Protocol, and was therefore affected by decision 40/35 under which it had been decided “to require from Parties an official commitment in writing to ratify the London Amendment to the Montreal Protocol before funding could be approved for their projects”.

113. The representative of UNDP clarified that US \$18,000 of the US \$30,000 for project preparation had been allocated to UNEP and US \$12,000 to UNDP.

114. Some Members recalled that, at the 50<sup>th</sup> Meeting of the Executive Committee, it had been decided that a similar project for Ethiopia be deferred on the basis of decision 40/35, and sought clarification for the proposed conditional approval of the request for Angola. In response, the representative of the Secretariat said that the request for project preparation for Ethiopia had been presented as a bilateral cooperation project and that at the 50<sup>th</sup> Meeting the Secretariat had made a similar recommendation to that proposed for Angola, but the Committee had decided to defer consideration of the request.

115. Following a discussion during which the terminal phase-out management plan (TPMP) for Ethiopia was considered (see paragraph 108 above), the Executive Committee decided to approve the request for TPMP preparation for Angola, for the UNEP component, at the level of US \$18,000 plus support costs, on the condition that:

- (a) Funding would not be disbursed until such time as an official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Angola;
- (b) No further funding would be considered for Angola until the country had ratified the London Amendment to the Montreal Protocol; and
- (c) In developing and subsequently implementing the TPMP, the agency should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for MB, CTC and/or TCA, as well as other CFCs.

**(Decision 51/21)**

Asia and the Pacific Region: South-East Asia and the Pacific ODS Officers Network  
Asia and the Pacific Region: Regional enforcement networking for South and South-East Asia

116. The representative of the Secretariat confirmed that, although both projects had been submitted to the 51<sup>st</sup> Meeting, UNEP had indicated that Sweden had agreed to continue funding the ODS officers and customs enforcement networks for Asia and the Pacific as part of their bilateral programme outside the Multilateral Fund and had therefore withdrawn the projects.

117. Following a discussion, the Executive Committee noted that UNEP had withdrawn the two projects. The Executive Committee also expressed its appreciation to the Government of Sweden for its continued support for those two regional activities outside the Multilateral Fund.

**(ii) 2007 work programme of UNDP**

118. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/51/21 and Corr.1 containing nine activities submitted by UNDP. Two projects had been recommended for blanket approval that had been considered under agenda item 9(a); leaving seven activities for individual consideration.

Angola: Project preparation for a terminal phase-out management plan

119. The representative of the Secretariat reminded the Committee that project preparation for a TPMP in Angola, to be implemented by UNDP and UNEP, had been discussed under UNEP's 2007 work programme.

120. Following a discussion during which the terminal phase-out management plan (TPMP) for Ethiopia was also considered (see paragraph 108 and decision 51/19), the Executive Committee decided to approve the request for TPMP preparation for Angola, for the UNDP component, at the level of US \$12,000 plus support costs, on the condition that:

- (a) Funding would not be disbursed until such time as an official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Angola;
- (b) No further funding would be considered for Angola until the country had ratified the London Amendment to the Montreal Protocol; and
- (c) In developing and subsequently implementing the TPMP the agency should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for MB, CTC and/or TCA, as well as other CFCs.

**(Decision 51/22)**

Colombia: Project preparation for an MDI investment project

India: Project preparation for an MDI investment project

Pakistan: Project preparation for an MDI investment project

121. The representative of the Secretariat indicated that UNDP had submitted requests for project preparation for MDI investment projects in Colombia, India and Pakistan. She said that the Executive Committee might wish to note that a decision had been taken under agenda item 7(a), Consolidated business plan, with reference to CFC-MDI projects, and that those requests could only be considered at a future meeting after the conditions set out in that decision had been met (see decision 51/34).

122. The Executive Committee noted that the requests for project preparation funding for the MDI investment projects for Colombia, India and Pakistan would be considered at a future meeting after the conditions for project preparation for CFC-MDI investment projects had been met.

Dominican Republic: National halon bank management plan update

123. The representative of the Secretariat indicated that UNDP had submitted a national halon bank management plan update for the Dominican Republic. The project had been resubmitted at the request of the 50<sup>th</sup> Meeting of the Executive Committee for more comprehensive information on the sustainability of the halon bank (decision 50/15). She said that a Memorandum of Understanding had been signed with the fire department in the Dominican Republic to monitor the halon strategy until 2010 and that the Ministry of the Environment had indicated that the Government would guarantee the halon bank's sustainability after that date.

124. One Member expressed concern about the project meeting the requirements for sustainability as required by decision 50/15 of the Executive Committee.

125. In response to a request for clarification, the representative of UNDP said that all halon in the Dominican Republic was now either under the control of the fire department or in one of three government establishments: the central bank, the air force or the customs department. She said that, in view of this, the Memorandum of Understanding with the fire department and the commitment by the Government of the Dominican Republic were sufficient to ensure the sustainability of the project.

126. Following a discussion, the Executive Committee decided

- (a) To approve the national halon bank management plan update at a reduced level of US \$20,000 plus agency support costs of US \$1,800 for UNDP for the purchase of equipment; and
- (b) That the remaining balance of US \$4,000 from the original amount requested could be submitted for consideration at a future meeting on the condition that it included a business plan, to be approved by the Executive Committee, for the sustainability of the operation of the halon bank.

**(Decision 51/23)**

Sierra Leone: Technical assistance for awareness-raising in the halon sector

127. The representative of the Secretariat indicated that UNDP was requesting technical assistance for the halon sector that would focus on implementing revised awareness-raising activities on alternative halon technologies.

128. In response to a request for clarification of the cost of the project, the representative of UNDP confirmed that the total cost was US \$15,000, and that the project would provide technical assistance for awareness-raising for the halon sector and not for a halon bank.

129. Following a discussion, the Executive Committee decided to approve the project at the reduced level of funding of US \$15,000 plus agency support costs of US \$1,350 for UNDP, on the understanding that, following the approval of the project, no further funding would be requested by the Government of Sierra Leone for the halon sector.

**(Decision 51/24)**

Pakistan: Renewal of institutional strengthening project (phase IV)

130. The representative of the Secretariat said that the request for renewal of institutional strengthening for Pakistan had been submitted for individual consideration because Pakistan had reported 2005 data to the Ozone Secretariat under Article 7, and to the Fund Secretariat for country reporting, that exceeded the level allowed under the Montreal Protocol for CTC consumption. Pakistan had explained in its terminal report that measures were being taken to monitor CTC imports. She said that the Executive Committee might wish to consider approving, for one year only, Pakistan's request for renewal of the institutional strengthening project without prejudice to the operation of the Montreal Protocol's mechanism on non-compliance.

131. The Executive Committee decided:

- (a) To approve phase IV of the institutional strengthening project for Pakistan for a period of one year only, at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance; and
- (b) To express to the Government of Pakistan its views as set out in Annex X to the present report.

**(Decision 51/25)**

**(iii) 2007 work programme of UNIDO**

132. The Executive Committee had before it document UNEP/OzL.Pro/ExCom/51/22 containing twelve activities submitted by UNIDO. Eight activities had been recommended for blanket approval and had been approved under agenda item 9(a). The CFC-MDI project for a transition strategy for Kyrgyzstan had been withdrawn, leaving three activities for individual consideration.

Jordan: Project preparation for an MDI project

Mexico: Project preparation for an MDI project

Venezuela: Project preparation for an MDI phase-out plan

133. The representative of the Secretariat informed the Executive Committee that UNIDO had submitted requests for project preparation for MDI projects in Jordan, Mexico and Venezuela. She said that the Executive Committee might wish to note that a decision had been taken under agenda item 7(a), Consolidated business plan, with reference to CFC-MDI projects, and that those requests could only be considered at a future meeting after the conditions set out in that decision had been met (see decision 51/34).

134. The Executive Committee noted that the requests for project preparation funding for the MDI investment projects for Jordan, Mexico and Venezuela would be considered at a future meeting after the conditions for project preparation had been met.

**(iv) 2007 work programme of the World Bank**

135. The Executive Committee had before it documents UNEP/OzL.Pro/ExCom/51/23 and Add.1 containing one project for individual consideration.

Ecuador: Renewal of institutional strengthening (Phase IV)

136. The representative of the Secretariat indicated that the request for the renewal of the institutional strengthening project for Ecuador had been submitted for individual consideration because at the time the request had been reviewed Ecuador had reported 2005 data that had exceeded permitted MB consumption levels. She informed the Executive Committee that Ecuador had reported that a draft plan of action to ensure a prompt return to compliance for MB was in preparation and would be submitted in March 2007 for consideration by the Implementation Committee at its next meeting. The Government of Ecuador was also working to ensure full implementation of its MB investment project and the completion of an MB sector phase-out plan for submission to the Executive Committee.

137. The Executive Committee therefore decided:

- (a) To approve phase IV of the institutional strengthening project for Ecuador for a period of one year only, at the level of funding indicated in Annex VII to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance; and
- (b) To express to the Government of Ecuador its views that appear in Annex X to the present report.

**(Decision 51/26)**

**(d) Investment projects**

138. The Executive Committee had before it Annex II to document UNEP/OzL.Pro/ExCom/51/18 containing projects for individual consideration. Given that the sector plan requests for the Democratic Republic of the Congo and Indonesia had been approved under agenda item 9(a), there remained only seven projects for individual consideration. The projects were discussed separately, as indicated below:



Aerosol sector

China: Phase-out of CFC consumption in the pharmaceutical aerosol sector (World Bank) (UNEP/OzL.Pro/ExCom/51/26/Add.1)

139. The representative of the Secretariat advised that the World Bank had re-submitted a sector plan on behalf of the Government of China, for phase-out of CFC consumption in China's pharmaceutical aerosol sector, at a total cost to the Multilateral Fund of US \$12,302,994, plus agency support costs of US \$922,725. The sector plan had originally been submitted to the 50<sup>th</sup> Meeting but was withdrawn by the World Bank for revision.

140. He also pointed out that the re-submitted proposal was based on the same technology and the same cost items as that submitted to the 50<sup>th</sup> Meeting. It excluded 11 enterprises with zero or low CFC consumption levels that were unable to submit production plans for 2007, so reducing the funding request by US \$3,002,350. The issues identified in the proposal submitted to the 50<sup>th</sup> Meeting remained, however, and included: funding for enterprises established after the cut-off date of 25 July 1995 and enterprises with no reported CFC consumption; the selection of HFC-134 over hydrocarbon as a propellant; lack of consideration of industrial rationalization; and the cost-effectiveness of the project, which was more than six times the threshold value for the aerosol sector. While the World Bank had agreed that the cost-effectiveness of the project was poor, it considered that cost elements such as substitute screening tests and registration tests meant that the threshold value for the general aerosol sector should not apply to pharmaceutical aerosols. The Secretariat had therefore concluded that the total incremental cost of the project should be based on the cost-effectiveness threshold for the aerosol sector, plus additional support for technical assistance activities.

141. Upon being advised of the outcome of further informal negotiations between the World Bank, the representative of China, and several Members of the Executive Committee and the Secretariat, the Executive Committee decided to approve the phase-out of CFC consumption in the pharmaceutical aerosol sector in China at a funding level of US \$6 million plus support costs of US \$450,000 for the World Bank, on the understanding that no more funding would be approved for new sector plans for the phase-out of CFC consumption in China, excluding the MDI sub-sector.

**(Decision 51/27)**

Foam sector

China: CFC-11 phase-out in the polyurethane foam sector: 2007 work programme (World Bank) (UNEP/OzL.Pro/ExCom/51/26)

142. The representative of the Secretariat said that the World Bank had submitted a request for approval of the 2007 annual implementation programme for CFC-11 phase-out in the polyurethane foam sector in China. The Secretariat noted with appreciation China's effort to reduce its CFC-11 consumption and that the 2006 national CFC-11 consumption, including that for the polyurethane foam sector, was within the limits set out in the sector agreement. As the total phase-out in the CFC-11 phase-out contracts with enterprises was less than that required by the agreement between the Government of China and the Executive Committee, the Secretariat

could not currently recommend the 2007 annual implementation programme nor the relevant tranche for approval.

143. The World Bank had informed the Secretariat that fulfilment of the targets for subsequent tranches was increasingly challenging because, for a large part of the phase-out being covered, contracts with each individual enterprise were required. Small enterprises tended not to have financial and other records available for past years so that it was not possible to enter into contracts with them. The agreement for CFC phase-out in the foam sector required, as a precondition for the release of tranches, signature of CFC phase-out contracts, and the mutual understanding between the country, the agency, and the Secretariat was that those contracts referred to individual companies. An alternative approach had been developed under which the understanding of the term “contract” would be enlarged to include contracts with environmental authorities in the provinces and large municipalities.

144. The Executive Committee decided:

- (a) To request the World Bank and China to intensify their efforts to achieve the targets specified in the agreement between the Government of China and the Executive Committee as a precondition for approval of the 2007 annual work programme and its associated funding tranche;
- (b) To specify that, for the purpose of the annual work programme for 2007 and following years under the agreement, the term “CFC phase-out contracts” would include contracts signed with the environmental pollution bureaus of either the provinces or very large municipalities. Those contracts would specify:
  - (i) The objective of full phase-out of CFC-11 use in the province or municipality in line with China’s commitments under the Montreal Protocol and in relevant CFC phase-out agreements;
  - (ii) The related grant amount, the amount of phase-out to be achieved in each year, and the project duration;
  - (iii) The related activities and their respective budgets, which should include:
    - a. Introduction and enforcement of policies banning the use of CFC-11 for foam production from 1 January 2008;
    - b. Training and technical assistance for the relevant local authorities;
    - c. Identification of CFC-11-using enterprises in the respective area, commitments from provincial governments, and activities such as training, public awareness, surveys, monitoring, and enforcement;
    - d. Visiting all registered foam enterprises in the respective area and registration of the blowing agent used;
    - e. Surveys regarding CFC-11-using foam companies, polyol suppliers and CFC-11 dealers;

- f. Training and technical assistance provided by local and national foam experts to CFC-11-using enterprises in order to assist them in changing over to non-CFC-11 technologies; and
  - g. Supply of CFC substitutes for formulation and trial production, where appropriate.
- (iv) At least 90 per cent of the funding under those contracts would be used for activities as per sub-items (b)(iii)c. to (b)(iii)g. above.
- (c) To specify that the phase-out under those contracts for a given year was defined as the difference between CFC-11 use in the province or municipality during the previous year minus any phase-out from any implementation activities under the Multilateral Fund funded outside the specific contract, and minus the CFC-11 use in the given year;
- (d) To specify that the CFC-11 use in the province or municipality in any year was determined for the period 1 January to 31 December by using the minimum of the amounts obtained through the following two methods:
- (i) Sales data provided by the CFC-11 producers still producing in 2007. Those sales data should include produced quantities as well as sales of CFC-11 stocks from the CFC producers;
  - (ii) Sales data from the larger CFC dealers in the province or municipality. For the first relevant year for which data were needed (baseline), the sales data for 2004-2006 would be reviewed and used to check the consistency of the data for the relevant year; and
- (e) To request the World Bank to submit a report on the implementation of the 2007 tranche to the last meeting of the Executive Committee in 2008.

**(Decision 51/28)**

Process agent / CTC production sector

China: Phase I of CTC sector plan (World Bank) (UNEP/OzL.Pro/ExCom/51/26)

145. The representative of the Secretariat reported on the verification of CTC production and CTC consumption in Phase I of the China CTC sector plan in 2006. Funding that had been withheld pending the results of the verification was being recommended for approval inasmuch as the four criteria for assessing the success of Phase I of the sector plan had been met. However, certain issues required further consideration by the Executive Committee. One was the fact that verified CTC production left approximately 1,500 ODP tonnes of CTC production unaccounted for and clarification was needed from the World Bank as to whether the CTC produced was sold or included in the inventory. Another issue related to the ceiling of 14,300 ODP tonnes for CTC used in process agent applications included in the interim list in Table A-bis of decision XVII/8 of the Meeting of the Parties and any other applications not covered in Phases I and II of the sector plan. The CTC survey had identified 21 new CTC uses that had not been covered by any

decision of the Meeting of the Parties. However, CTC consumption for both those in the list in Table A-bis and newly identified potential process agent applications was below the ceiling of 14,300 ODP tonnes. Therefore, guidance from the Executive Committee was required regarding whether that ceiling should be reconfirmed or modified, as per the provisions of the Phase II agreement.

146. Following a discussion on whether to reconfirm the CTC consumption ceiling at its 52<sup>nd</sup> or 53<sup>rd</sup> Meeting, the Executive Committee decided:

- (a) To take note of the verification report of CTC production and consumption for process agent applications in Phase I of the China CTC sector plan for 2006;
- (b) To release the 2007 annual tranche of US \$5 million and US \$375,000 in support costs for the implementation of the 2007 work programme of Phase I of the sector plan as the verification indicated that China met the criteria in the agreement on Phase I of the sector plan in 2006;
- (c) To take note of the results of the survey by the World Bank of CTC consumption in process agent applications listed in Table A-bis of decision XVII/8 of the Seventeenth Meeting of the Parties and in potential process agent applications which had been newly identified and reviewed by the Technology and Economic Assessment Panel (TEAP) but had yet to be considered by the Parties for inclusion in the list of controlled substances as process agents, in accordance with decision X/14 of the Tenth Meeting of the Parties;
- (d) To consider the need to reconfirm the ceiling of 14,300 ODP tonnes set in the agreement for those applications at the 52<sup>nd</sup> Meeting of the Executive Committee; and
- (e) To request the World Bank to provide reasons for over 1,496.1 ODP tonnes of CTC production not accounted for in the results of the verification of CTC production and consumption for process agent uses in 2006 in Phase I as part of the verification of CTC consumption in Phase II of the sector plan due for the 52<sup>nd</sup> Meeting.

**(Decision 51/29)**

#### Phase-out plans

Bahamas: Terminal CFC phase-out management plan (World Bank)  
(UNEP/OzL.Pro/ExCom/51/24)

147. The representative of the Secretariat indicated that the World Bank had submitted to the 51<sup>st</sup> Meeting a funding request for the third and final tranche of the TPMP, on behalf of the Government of the Bahamas, at a total cost of US \$120,000 plus agency support costs of US \$15,600. Among the issues raised by the Secretariat with the World Bank were the substantial deviation from the approved 2004-2005 work programme, the deviation between verified consumption for 2003 as compared to the Article 7 data, the remaining uncertainties and limitations in the verification, and the institutional focus of the 2006-2007 work plan in which

the Secretariat had expected a stronger focus on activities directly related to ODS phase-out. However, the World Bank and the Secretariat had agreed on a proposal to the Executive Committee to allow it to address the submission's shortcomings, while recognizing with sufficient certainty that the Bahamas had complied with the consumption targets in the agreement for the years 2004 and 2005, and was in a position to control imports during 2007 and future years.

148. During the ensuing discussion, concerns were raised regarding the degree of certainty provided by the verification reports, linked to the establishment of a licensing system in the Bahamas. It was clarified that the data for both the 2002-2003 and 2004-2005 periods had been verified through independent audits. The issue relating to data discrepancies for the 2002-2003 period concerned a divergence in verified data and data reported by the Bahamas' NOU to the Ozone Secretariat under Article 7 of the Montreal Protocol. The misreporting by the NOU had since been rectified. Any uncertainty regarding the rigour of the independent verification was linked to the fact that the absence of a licensing system in the country for the periods in question made the assessment of the verification more challenging. The fact that the Bahamas had established a licensing system in early 2006 was expected to provide a more solid basis for verification of 2006 and 2007 data.

149. It was also pointed out with some concern that US \$144,000 had been disbursed from the second tranche of the project, but that very few of the planned activities had been undertaken. The World Bank indicated that the Bahamas was taking advantage of the flexibility inherent in TPMPs to adjust the direction of its activities away from recovery and recycling and towards training refrigeration technicians in retrofitting. It was also mentioned that, as one of the first TPMPs approved by the Executive Committee, the Bahamas TPMP was all the more likely to have to adjust its management plan in response to changing conditions.

150. Following a discussion, the Executive Committee decided:

- (a) To note the report on implementation of the 2004-2005 tranche of the terminal phase-out management plan for the Bahamas;
- (b) To note that verification of consumption in 2004 and 2005 provided sufficient certainty that the consumption of CFCs in the Bahamas in those years remained below the limit specified in the agreement between the Government of the Bahamas and the Executive Committee;
- (c) To approve the biennial work plan for 2006-2007;
- (d) To approve the third tranche of the plan at the level of funding of US \$120,000 plus support costs of US \$15,600, on the condition that:
  - (i) No funds would be disbursed by the World Bank until the World Bank had submitted the following documentation to the Secretariat:
    - a. A verification report for 2006 detailing the legal and institutional set-up of the import and export control regime and how it was implemented, as well as verifying the 2006 consumption data;

- b. A verification report for, as a minimum, the first eight months of the year 2007, showing that within that time frame there had been no consumption of CFCs in the Bahamas;
  - c. An implementation report for the 2006-2007 tranche; and
  - d. Further details on the utilization of the amount of US \$144,000 disbursed from the second tranche of funding;
- (ii) The Secretariat had informed the World Bank that it had accepted the documentation as sufficient, consistent with the consumption limits specified in the agreement and in fulfilment of the requirements specified in the “Guidelines for the verification of national consumption targets of multi-year agreements”; and
- (e) To note that the World Bank agreed to deliver such reports not later than the 54<sup>th</sup> Meeting of the Executive Committee.

**(Decision 51/30)**

Paraguay: Terminal phase-out management plan for Annex A (Group I) substances (UNDP and UNEP) (UNEP/OzL.Pro/ExCom/51/33)

151. The representative of the Secretariat indicated that UNEP, as the lead implementing agency, had submitted, on behalf of the Government of Paraguay, a TPMP for Annex A (Group I) substances for consideration by the Executive Committee. He highlighted the compliance issue that might hinder approval of the phase-out plan, namely, that under decision XVIII/32 of the Eighteenth Meeting of the Parties Paraguay had been urged to return to compliance.

152. Following the introduction by the Secretariat, the Executive Committee decided:

- (a) To approve, in principle, the terminal phase-out management plan (TPMP) for Paraguay, at the amount of US \$565,000 plus agency support costs of US \$27,825 for UNDP and US \$25,220 for UNEP, on the understanding that approval was without prejudice to the operation of the Montreal Protocol’s mechanism for addressing non-compliance;
- (b) To approve the agreement between the Government of Paraguay and the Executive Committee for the implementation of the TPMP as contained in Annex XI to the present document;
- (c) To urge UNEP and UNDP to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP; and
- (d) To approve the first tranche of the plan at the level of funding indicated in Annex VII to the present report, on the understanding that UNDP and UNEP would not disburse any funding until the Government of Paraguay had submitted to the Ozone Secretariat a plan of action with specific time benchmarks to ensure

a prompt return to compliance, as required under decision XVIII/32 of the Eighteenth Meeting of the Parties to the Montreal Protocol.

**(Decision 51/31)**

Venezuela: National CFC phase-out plan: 2006 work programme (UNIDO)  
(UNEP/OzL.Pro/ExCom/51/37 and Add.1)

153. The representative of the Secretariat advised that UNIDO had submitted a funding request for the third tranche of the national CFC phase-out plan, on behalf of the Government of Venezuela, at a total cost of US \$2,071,831 plus agency support costs of US \$155,387. He reported that the import and export data for the year 2005 had been verified. Venezuela's CFC consumption in 2005 was above the limits set out in the agreement as a result of the high level of production in 2005. UNIDO had indicated that Venezuela had used part of its production for domestic feedstock in 2006, and that had been verified.

154. The representative of the Secretariat informed the Executive Committee of the possible implications of decision XVIII/17 of the Eighteenth Meeting of the Parties in that particular case, according to which, where production of ODS in a given year stockpiled for domestic feedstock uses in a future year resulted in consumption in excess of prescribed levels, that excess consumption might not be subject to the non-compliance procedure. The Executive Committee considered that the intent of the decision of the Parties might be fulfilled by not applying any reductions to the funding for Venezuela.

155. Following the discussion, the Executive Committee decided:

- (a) To take note of the annual report for 2005;
- (b) To approve the annual plan for 2007;
- (c) To approve an amount of US \$2,071,831 for the third tranche plus support costs of US \$155,387 for the implementation of the 2007 annual plan;
- (d) That the full amount of funding foreseen for the third tranche was approved on the basis that CFC production in 2005, which included production for domestic feedstock use in a future year, had resulted in a calculated CFC consumption level in excess of the limits set under the agreement, and that CFC feedstock use in a future year of an amount greater than the excess quantity had been verified before approval; and
- (e) To note that approval was on the understanding that it did not constitute a precedent for any future submissions of similar cases to the Executive Committee, and was without prejudice to any decision of the Meetings of the Parties on compliance issues.

**(Decision 51/32)**

Zimbabwe: National phase-out of Annex A (Group I) substances (phase II, first tranche)  
(Germany) (UNEP/OzL.Pro/ExCom/51/38)

156. The representative of the Secretariat said that the Government of Germany had submitted, on behalf of the Government of Zimbabwe, an NPP for Annex A (Group I) substances. The only outstanding issue, namely the fact that the total value of Germany's business plan for the 2006-2008 triennium exceeded the 20 per cent maximum allowable level of bilateral contributions, had been discussed and resolved by the Executive Committee under agenda item 7(b)(i), Bilateral agencies.

157. Following the introduction by the Secretariat, the Executive Committee decided:

- (a) To approve, in principle, the national phase-out plan for Annex A (Group I) substances (Phase II) for Zimbabwe, at the amount of US \$565,000 plus agency support costs of US \$72,150 for the Government of Germany;
- (b) To approve the agreement between the Government of Zimbabwe and the Executive Committee for the implementation of the phase-out plan as contained in Annex XII to the present report;
- (c) To urge the Government of Germany to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the phase-out plan; and
- (d) To approve the first tranche of Phase II of the phase-out plan at the level of funding indicated in Annex VII to the present report.

**(Decision 51/33)**

**AGENDA ITEM 10: COUNTRY PROGRAMMES**

158. As no country programmes had been submitted to the 51<sup>st</sup> Meeting, there was no discussion under this agenda item.

**AGENDA ITEM 11: OPTIONS FOR ADDRESSING THE SITUATION OF COUNTRIES REFERRED TO IN DECISION XVII/14 OF THE SEVENTEENTH MEETING OF THE PARTIES: REVISED PAPER (FOLLOW-UP TO DECISION 49/33)**

159. The representative of the Secretariat presented the policy paper (UNEP/OzL.Pro/ExCom/51/39), highlighting the issues that the Executive Committee would need to consider should it choose the option of providing assistance for CFC phase-out in those Article 5 Parties with locally owned MDI manufacturing facilities. The issues included the cut-off date for the establishment of CFC-MDI production lines; the base year to be used for establishing the consumption of CFCs in the MDI sub-sector that would be eligible for funding; consideration of funding eligibility; the time scale for payment of operating costs for the MDI sub-sector; and the availability of pharmaceutical-grade CFCs. Funding for the preparation of transition strategies in Article 5 Parties with approved phase-out plans that had not received



assistance from the Fund for the development of such strategies would also have to be considered by the Executive Committee, particularly as several Article 5 Parties had submitted requests for funding for the preparation of transition strategies without demonstrating the need for them.

160. Following the introduction by the Secretariat, a representative of UNEP summarized that agency's proposal for raising awareness of the need to phase out CFCs in MDIs presented in document UNEP/OzL.Pro/ExCom/51/Inf.4. UNEP proposed to hold eight regional workshops to promote the transition from CFC-MDIs through key activities such as collecting national information on the sector, helping to reduce dependency on CFC-MDI imports through appropriate regional action, and developing an "MDI-tracker" database to monitor all aspects of the transition and provide feedback on any necessary further action. The regional workshops would target relevant environmental and health officials, the medical community, clinics, pharmaceutical companies and non-governmental organizations at the country level. The World Health Organization would also be invited to participate.

161. The Chair of the Executive Committee subsequently identified two main issues for discussion and requested Members to address them in sequence. The first related to funding the phase-out of CFC consumption by MDI-producing countries, while the second dealt with strategies for the transition to non-CFC MDIs in Article 5 Parties without CFC production facilities.

162. With regard to funding the phase-out of CFC consumption in MDI-producing countries with CFC/national phase-out plans or national phase-out plans, some Members noted that earlier phase-out plans did not address the MDI sector for a number of reasons. One was the lack of experience, information, technical expertise and knowledge to undertake the transition. Another was the sector's highly sensitive nature in terms of public health and social responsibility. One Member stated that CFC consumption for MDI production had risen in her country in recent years owing to the government's policy of extending asthma and chronic obstructive pulmonary disease (COPD) medication to a growing, low-income segment of the population.

163. It was recognized by several Members that the potential difficulties faced by several Article 5 Parties in phasing out their consumption of CFCs for the production of MDIs was a very real concern. However, given that several countries in question had undertaken to phase out all of their CFC consumption under approved CFC/national phase-out plans, one Member proposed that assistance for such countries should be examined on a case-by-case basis and be subject to several conditions. The first was that countries with no remaining eligible CFC consumption should provide comprehensive justification of why they required assistance, including key information on the situation of their MDI sector, before the Executive Committee could consider the approval of funds for project preparation. Another condition was that assistance should be limited to covering incremental capital costs rather than incremental operational costs, as there might be no CFCs available by the time MDI production lines were converted to non-CFC technology. Finally, if assistance were provided, it might be necessary to deduct an amount of funding from the final agreed costs of the project based on the fact that for some countries the CFCs consumed for MDI manufacturing had been included in the calculation of funding approved for their CFC phase-out plans or NPPs.

164. Despite the concerns raised, some Members pointed out that the situation in the MDI sector was not likely to affect compliance. According to updated data from the Ozone

Secretariat, in only one case did MDI-manufacturing-related CFCs exceed a country's limits for the 2007-2009 compliance period, and that country had an agreement and project to phase out use of CFCs for manufacturing MDI. It was also pointed out that there was already a range of approved alternatives to CFC-MDIs in several Article 5 Parties.

165. During a discussion on the issue of the cut-off date for the establishment of CFC-MDI production lines, it was pointed out that developing countries had not had access to CFC phase-out technology for the MDI sector before 1995. Furthermore, several production lines had been established in those countries after 1995. It was therefore proposed that the cut-off date be extended, taking into account the needs of Article 5 Parties.

166. Following discussion on the first issue identified by the Chair, namely funding for the phase-out of CFC consumption for MDI manufacturing, a contact group composed of the representatives of Canada, China, Guinea, Italy, Japan, Jordan, Sweden, the United States of America and Uruguay, with the representative of Mexico as facilitator, was established to examine the matter further.

167. The Executive Committee then discussed the second issue identified by the Chair, namely strategies for the transition to non-CFC MDIs in Article 5 Parties without CFC production facilities. According to Executive Committee decision 45/54, LVC countries submitting TPMPs could obtain up to US \$30,000 for MDI transition strategies upon provision of basic data demonstrating the need for such a strategy. However, there was the additional issue of whether funding could be extended to countries that had either submitted their TPMPs before the 45<sup>th</sup> Meeting of the Executive Committee or were not LVC countries.

168. The complexity of the MDI sector meant that each country in need of a transition strategy would probably have distinct needs with regard to strategy elements such as awareness-raising, legal aspects and MDI formulation. One Member pointed out that some CFC-MDI producing countries might also be importing countries if their domestic CFC production was not sufficient to cover MDI manufacturing needs. It was therefore suggested that the need for transition strategies be examined on a case-by-case basis.

169. It was tentatively suggested that the conditions for funding transition strategies, as defined in decision 45/54, could be extended to all eligible non-producing Article 5 Parties on the condition that they provided basic data documenting and demonstrating the need for such a strategy. That made it very important to provide a specific definition of what was meant by "basic data", and to give a clear indication of what was expected by the requirement to document and demonstrate need. Following the discussion, it was proposed that the issue of transition strategies be referred to the contact group on MDIs for further consideration.

170. The representative of Mexico, speaking as facilitator of the contact group established to consider MDI-related issues, reported on the group's deliberations. Following its consideration of the contact group's conclusions and recommendations, the Executive Committee decided:

- (a) That Article 5 Parties with plants manufacturing CFC-metered-dose inhalers (MDIs) should be advised of the timing on which to begin considering the need for essential use exemptions beyond the 2010 phase-out date and that the preparation of a nomination for essential use exemptions might begin in 2007 for submission to the Parties for their consideration in 2008;

- (b) That the Executive Committee would need to consider further the availability of pharmaceutical grade CFC after 2010 in light of the Technology and Economic Assessment Panel reports to the 27<sup>th</sup> Meeting of the Open-ended Working Group and the Nineteenth Meeting of the Parties on campaign production of CFCs for MDIs in Article 5 and non-Article 5 Parties;
- (c) That the Executive Committee might consider on a case-by-case basis the submission of requests for project preparation for the conversion of CFC-MDI production facilities on the understanding that they must include a comprehensive justification from the country concerned for the need to receive assistance and, as a minimum, should provide the following detailed information:
- (i) Name of nationally owned CFC-MDI manufacturing facilities, the date when the CFC production lines were established and the production capacity of each production line;
  - (ii) Type of CFC-MDI products manufactured, active ingredients used, annual production output (units/year);
  - (iii) Growth patterns of CFC-MDI production over the past five years;
  - (iv) Whether any of the CFC-MDI manufacturing plants were contemplating alternatives to CFC-MDIs and what those alternatives were;
  - (v) Each production facility's plans for phasing out CFC consumption; and
  - (vi) The number of non-CFC MDIs and dry-powder inhalers sold or distributed within the Party, by active ingredient, brand/manufacturer, and source;
- (d) That the Executive Committee would consider on a case-by-case basis requests for transition strategies to non-CFC MDIs in Article 5 Parties that did not have MDI manufacturing facilities, in accordance with decision 45/54, when the need for a strategy had been fully demonstrated and documented through the submission of the following information for the previous three years:
- (i) CFC and non-CFC MDIs and dry-powder inhalers: sold or distributed within the Party, by active ingredient, brand/manufacturer, and source;
  - (ii) Non-CFC MDIs and dry-powder inhalers: date approved, authorized for marketing, and/or launched in the territory of the Party;
  - (iii) CFC and non-CFC MDIs and dry-powder inhalers: estimated cost by active ingredient and source.

**(Decision 51/34)**

**AGENDA ITEM 12: STATUS REPORT ON THE PROCESS FOR CONTRACTING A CONSULTANT TO CARRY OUT THE STUDY ON THE TREATMENT OF UNWANTED OZONE-DEPLETING SUBSTANCES (FOLLOW-UP TO DECISION 50/42(e))**

171. The representative of the Secretariat presented document UNEP/OzL.Pro/ExCom/51/40, which recalled that, in accordance with decision 50/42, the Multilateral Fund Secretariat was to develop specific terms of reference for a study on the treatment of unwanted ODS, to identify a contractor and to commission the study by the end of March 2007, if possible. The study was to be completed by 1 February 2008. He reported on the progress made in contracting a consultant to carry out the study, and advised that detailed terms of reference had been finalized on the basis of the terms of reference provided by the Executive Committee and had been sent to selected companies. The quotations were expected in April 2007 and the contract would probably be awarded in May 2007. It was expected that the outline of the study and a work plan would be available before the 52<sup>nd</sup> Meeting of the Executive Committee, and would form the basis of the report requested by the Meeting of the Parties for consideration at its Nineteenth Meeting.

172. The Executive Committee took note of the information provided in document UNEP/OzL.Pro/ExCom/51/40 on the progress made by the Multilateral Fund Secretariat in contracting a consultant to carry out the study on the treatment of unwanted ODS, pursuant to decision 50/42.

**AGENDA ITEM 13: DRAFT REPORT OF THE EXECUTIVE COMMITTEE TO THE OPEN-ENDED WORKING GROUP ON THE PROGRESS MADE IN REDUCING EMISSIONS OF CONTROLLED SUBSTANCES FROM PROCESS AGENT USES (FOLLOW-UP TO DECISION XVII/6 OF THE SEVENTEENTH MEETING OF THE PARTIES)**

173. The representative of the Secretariat presented the draft status report contained in document UNEP/OzL.Pro/ExCom/51/41, which had been prepared pursuant to decision XVII/6 of the Seventeenth Meeting of the Parties. The document was an update of the report on that subject, which had been prepared in response to decision X/14 of the Tenth Meeting of the Parties. It showed the progress that had been made by the Multilateral Fund up to the end of 2006 in assisting Article 5 countries to reduce levels of emissions of controlled substances from process agent use to “levels agreed by the Executive Committee to be reasonably achievable in a cost-effective manner without undue abandonment of infrastructure” as per decision X/14 of the Tenth Meeting of the Parties. The document proposed by the Fund Secretariat listed the projects and activities that had been funded in 2005 and 2006, with information on the levels of funding approved, on the impact, and on the date of completion of such projects. It also took into consideration the progress in ongoing projects as reported by implementing agencies.

174. During the discussion, one Member noted that there were two data sets presented, namely country data reported to the Multilateral Fund and Article 7 data reported to the Ozone Secretariat, which were defined differently and therefore made it difficult to assess the degree of progress made with respect to process agents. She further noted that it would be useful to include in the report data that Article 5 countries might have provided to the Chemical Technical Options Committee, if possible.

175. Following a discussion, the Executive Committee decided:

- (a) To finalize the draft report, noting that the Secretariat would include in it additional information regarding differences between country programme data and Article 7 data and, should time allow, would also provide relevant information from the Chemical Technical Options Committee; and
- (b) To request the Fund Secretariat, after seeking the approval of the Chair of the Executive Committee, to submit the report to the 27<sup>th</sup> Meeting of the Open-ended Working Group.

**(Decision 51/35)**

**AGENDA ITEM 14: CONSIDERATION OF THE ISSUE OF CTC USE AS FEEDSTOCK AND PROCESS AGENTS, AND THE CO-PRODUCTION OF CTC IN ARTICLE 5 COUNTRIES (FOLLOW UP TO DECISION 48/27)**

176. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/51/42, which referred to two elements for discussion: the conclusions of the desk study on CTC process agent projects and of the TEAP study on global CTC emissions. The latter study would not, however, be ready until after the 27th Meeting of the Open-ended Working Group. He therefore proposed postponing consideration of the issue until the 52<sup>nd</sup> Meeting of the Executive Committee when the results of the TEAP study would be available.

177. The representative of the World Bank explained that the Bank had made a presentation on CTC at the Third Meeting of the Stockholm Group and had provided participants with relevant documentation. The Bank had also prepared a report on CTC disposal and offered to share that information with the Fund Secretariat and the TEAP.

178. Following the discussion, the Executive Committee decided:

- (a) To defer consideration of the issue of CTC use as feedstock and process agents, and the co-production of CTC in Article 5 countries until its 52<sup>nd</sup> Meeting when the study of the Technology and Economic Assessment Panel (TEAP) on global CTC emissions would be available; and
- (b) To request the World Bank to provide all relevant information on the issue to the Fund Secretariat and to the TEAP.

**(Decision 51/36)**

**AGENDA ITEM 15: AMENDED REPORT ON THE RECONCILIATION OF THE 2005 ACCOUNTS (FOLLOW-UP TO DECISION 50/44(a))**

179. The Treasurer introduced documents UNEP/OzL.Pro/ExCom/51/43 and Corr.1, which comprised a reprint of the documents submitted to the 50<sup>th</sup> Meeting

(UNEP/OzL.Pro/ExCom/50/60 and Add.1), prepared by the Treasurer, with new information on accounting discrepancies, as requested by the 50<sup>th</sup> Meeting.

180. In response to a statement by one Member who hoped that the outstanding information relating to UNEP support costs would be available in time for the 52<sup>nd</sup> Meeting, the Treasurer said that, although he could not guarantee that the information would be ready, he would endeavour to make it available as soon as possible.

181. The Executive Committee urged the Treasurer, the implementing agencies and the Fund Secretariat to take advantage of Executive Committee meetings, and any other meetings as circumstances necessitated, to discuss and resolve accounting discrepancies and thus reduce to a minimum the number of outstanding issues in the end-of-year reconciliation of the accounts. One Member urged the Treasurer and the Fund Secretariat in future to make the Treasurer's annual report on reconciliation of the accounts available to Executive Committee Members before the meeting at which it would be discussed.

182. Following a discussion, the Executive Committee decided:

- (a) To note:
  - (i) The reconciliation of 2005 accounts as presented in documents UNEP/OzL.Pro/ExCom/51/43 and Corr.1;
  - (ii) The updated status of overruns reported by UNDP contained within those documents, and that the additional explanations requested by decision 50/44(f) had been provided;
  - (iii) The following adjustments being made by the Treasurer: UNDP US \$2,370, UNEP US \$373,357, World Bank US \$96,680 and US \$622,257, as per normal practice of the World Bank; and
- (b) To urge the Treasurer to provide information regarding UNEP support costs in time for the 52<sup>nd</sup> Meeting of the Executive Committee.

**(Decision 51/37)**

**AGENDA ITEM 16: DRAFT TERMS OF REFERENCE FOR A COMPREHENSIVE INDEPENDENT ASSESSMENT OF THE ADMINISTRATIVE COSTS REQUIRED FOR THE 2009-2011 TRIENNIUM (FOLLOW-UP TO DECISION 50/27)**

183. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/51/44, which explained the background to the administrative cost regimes of the Multilateral Fund and contained the draft terms of reference for a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium, as requested by the Executive Committee at its 50<sup>th</sup> Meeting. The terms of reference required the consultant to consider, *inter alia*, the agencies' existing administrative costs with a view to proposing any changes to the existing regimes if needed. The purpose of any proposed changes would be to enable the bilateral and implementing agencies to provide sufficient administrative support to Article 5 countries to

help them achieve compliance during the next triennium, to enable implementing agencies to exercise their fiduciary responsibilities, and to provide sufficient oversight and reporting for the Executive Committee. In that respect, the challenges for the 2009-2011 triennium would be taken into account, in particular future control measures as well as the need to ensure that all commitments and financial accounts were closed in a timely manner.

184. The consultant would provide the Executive Committee with a progress report at its 53<sup>rd</sup> Meeting in the context of the annual assessment of core unit costs. A draft report was expected to be ready by 15 January 2008, with the final report to be submitted for consideration by the Executive Committee at its 54<sup>th</sup> Meeting.

185. One Member, after noting that after 2010 only 20 per cent of the baseline for MB and 30 per cent of the baseline for TCA would remain to be phased out and that the HCFC phase-out was only scheduled to occur by 2040, said that the consultant should be asked to consider how the agencies' administrative structures and costs could be streamlined accordingly. Other Members suggested that decisions of the next Meeting of the Parties be considered as well and that it should not be presumed that there would be changes to the existing administrative cost regime. It should be made clear to the consultant that any changes had to be supported by the findings of the study. There was also general agreement on the estimated cost of the study.

186. Having considered the proposed terms of reference and the expected outcomes, the Executive Committee decided to adopt the draft terms of reference, as orally amended, noting that the Fund Secretariat would present the costs based on bids received from qualified consultants to the Executive Committee at its 52<sup>nd</sup> Meeting.

**(Decision 51/38)**

**AGENDA ITEM 17: ISSUES RELATED TO THE FUND SECRETARIAT'S BUDGET FOR 2007 (FOLLOW-UP TO DECISION 50/45)**

187. The Chief Officer introduced documents UNEP/OzL.Pro/ExCom/51/45 and Add.1, which addressed the issue of treasury fees as a follow-up to decision 50/45, and included a request for the approval of an additional amount in the 2007 budget to enable the initiation of bidding for the study on administrative costs. In respect of the treasury fee, at its 50<sup>th</sup> Meeting, the Executive Committee had approved the budget of the Fund Secretariat, including the amount of US \$500,000 for the 2007 treasury fee, while withholding US \$200,000 of that total sum. The Secretariat had been requested to seek legal advice in respect of the terms of the contract with UNEP as Treasurer, specifically focusing on the issue of the P5 position required under decision 42/42 approving a treasury fee for UNEP as Treasurer (decision 50/45(b) and (c)).

188. The Chair of the Executive Committee wrote to the Executive Director of UNEP on 13 December 2006 to inform him of the Committee's decision. The outcome of discussions between the Chief Officer, the Executive Director and other senior UNEP representatives was reflected in the letter from the Executive Director to the Chair of the Executive Committee, annexed to document UNEP/OzL.Pro/ExCom/51/45/Add.1. In the letter, the Executive Director suggested that while UNEP would continue to provide the agreed treasury functions with accountancy backstopping and oversight functions carried out by UNEP in Nairobi, as occurred at present, the position of the P4 Administrative Fund Management Officer in Montreal could be

upgraded to the P5 level with additional responsibilities. The difference in cost for the upgrade of the position would be charged annually to the US \$500,000 budget, as suggested in the Executive Director's letter.

189. Following a discussion in which the Members congratulated the Chief Officer and UNEP on finding such a rapid resolution to those issues, considered the issue of upgrading the P4 post of the Administrative and Fund Management Officer at the Multilateral Fund Secretariat to the level of P5, and indicated their preference for the costs of the comprehensive independent assessment of administrative costs to be addressed in the budget in the same manner as the study on unwanted ODS had been at the 50<sup>th</sup> Meeting, the Executive Committee decided:

- (a) To note with appreciation the reply received from the Executive Director of UNEP on the filling of the P5 post;
- (b) To release the US \$200,000 amount withheld at the 50<sup>th</sup> Meeting;
- (c) To agree to the upgrade of the P4 post of the Administrative and Fund Management Officer to P5 with additional responsibilities related to the financial management of the Trust Fund, and to charge the difference in cost associated with the upgrade to the treasury fees being paid to UNEP;
- (d) To request UNEP/UNON, in their capacities as treasurer, to continue to attend the meetings of the Executive Committee and provide the relevant financial information; and
- (e) To revise the Fund Secretariat's budget to reflect the upgrade of the P4 post to P5 and to include the amount agreed to by the Members of the Executive Committee for a comprehensive independent assessment of the administrative costs required for the 2009-2011 triennium.

**(Decision 51/39)**

## **AGENDA ITEM 18: OTHER MATTERS**

### Update on the Third Meeting of the Stockholm Group in The Hague

190. The representative of Sweden reported on the Third Meeting of the Stockholm Group, held in The Hague on 6 February 2007, and informed the Executive Committee that the next meeting would tentatively take place on 31 May 2007, prior to the 27<sup>th</sup> Meeting of the Open-ended Working Group. He said that the Montreal Protocol provided dual protection both for the ozone layer and the climate. By one estimate, the Montreal Protocol's greenhouse gas reductions, achieved through its phase-out of ODS, would by 2010 be roughly equal to a 10-year delay in climate-related impacts and an avoided rise in global average surface temperature of about 0.1° C. However, the increase in HCFC production and consumption levels over the next decade also raised concerns regarding compliance with the 2016 freeze on HCFCs.

191. He noted that the contributions to the Multilateral Fund had so far averaged US \$150 million per year and that the ozone protection and climate benefits of eventual



accelerated HCFC phase-out justified continued financial support of the Multilateral Fund and of the Montreal Protocol. Accelerated phase-out, with supportive funding, would result in avoided HCFC production and consumption as well as benefits from alternative technology and the best practices that avoided both ozone and climate impacts. It would also reduce by-product emissions of the potent greenhouse gas HFC-23, as well as by-product emissions of ozone-depleting CTC produced during the production of chloroform used to make HCFC-22. It could also resolve the “perverse incentives” under the Kyoto Protocol, which potentially subsidized the production of HCFC-22 by generating emissions reduction credits for destruction of HFC-23.

192. He said that an accelerated phase-out would need to be accompanied by revisions to the Multilateral Fund’s current guidelines, which prevented funding of any ODS facility installed after July 1995 or of any enterprise that had used the Fund’s assistance to convert to HCFCs from CFCs. Depending on how an accelerated HCFC phase-out was structured, it would cost between US \$0.5 billion and \$1.5 billion, which would be roughly the current annual replenishment levels over three replenishments. A timely proposal for an amendment to the current HCFC control measure should be considered at the Nineteenth Meeting of the Parties in September 2007. An agreement in 2007 on that control measure would allow the Parties to request an evaluation of the costs associated with the commitments of Article 5 Parties as part of the study for the replenishment of the Multilateral Fund for 2009-2011.

Deadline for the submission of phase-out plans by implementing agencies in time for consideration by the Executive Committee

193. The representative of Guinea raised the issue of the amount of time required for the submission of TPMPs, which currently had to reach the Fund Secretariat 14 weeks before a given meeting in order to be considered by the Executive Committee. The matter had been discussed during a meeting of Ozone Focal Points of French-speaking African countries in Lomé, Togo, where participants had expressed the view that the deadline was restrictive. They were therefore requesting that the submission deadline be reduced to eight weeks before a meeting, as was the case for other projects.

194. The Chief Officer explained that the 14-week deadline applied only to the submission of new MYAs such as TPMPs because there was a considerable amount of work involved in reviewing the projects, and the process took longer than for standard investment projects. Given that, under the Rules of Procedure, the Fund Secretariat had to submit the documents to the Executive Committee four weeks before the meeting in question, it left the Secretariat only 10 weeks to review the document and obtain any clarifications required, including from the government of the country in question. The Fund Secretariat could not agree to reduce the deadline to a standard eight weeks, but if it was not possible for an agency to submit a TPMP 14 weeks before the next meeting then the Fund Secretariat could, on an exceptional basis, consider reducing the timeframe. However, given that the Secretariat had some 60 such projects to review during 2007, which was a considerable task, she urged the implementing agencies to do their utmost to submit the TPMPs in time.

195. A representative of an implementing agency questioned whether the 14-week deadline also applied to TPMPs consisting of only one tranche. He said that, given the imminent deadline for submissions before the 52<sup>nd</sup> Meeting, the agency might not be able to prepare all submissions in time, which would mean that a large number would be submitted for review at the last meeting

of the year. The Chief Officer proposed that the implementing agencies and the representatives of the Fund Secretariat discuss the matter informally in the margins.

#### Reporting under Article 7

196. The Executive Committee then considered the issue of reporting under Article 7 and standardization of the number of decimal places for the presentation and review of data relative to compliance. Bilateral and implementing agencies were asked to present the phase-out targets for all new projects to a single decimal point, and it was noted that the targets in the agreements approved at the present Meeting would be adjusted accordingly. The representative of the Ozone Secretariat explained that the Eighteenth Meeting of the Parties had expressed the view that the Ozone Secretariat should revert to reporting and reviewing data to one decimal place only, rather than three, and expressed her appreciation that the Executive Committee was helping to ensure consistency of ozone data presentation, and thereby clarity with regard to the Parties' consumption and production phase-out obligations, by bringing their practices into line with those of the Ozone Secretariat.

#### Dates and venues of future Meetings of the Executive Committee

197. The Chief Officer confirmed the dates for the Executive Committee's 52<sup>nd</sup> and 53<sup>rd</sup> Meetings, which would be held in Montreal from 23 to 27 July 2007 and from 26 to 30 November 2007, respectively.

### **AGENDA ITEM 19: ADOPTION OF THE REPORT**

198. The Executive Committee adopted its report on the basis of the draft report contained in documents UNEP/OzL.Pro/ExCom/51/L.1 and Corr.1.

### **AGENDA ITEM 20: CLOSURE OF THE MEETING**

199. Following the customary exchange of courtesies, the Chair declared the meeting closed at 3:15 p.m. on Friday, 23 March 2007.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL  
PROTOCOL**Table 1 : STATUS OF THE FUND FROM 1991-2007 (IN US DOLLARS )**

As at 16 March 2007

<b>INCOME</b>			
Contributions received:			
-	Cash payments including note encashments		1,874,077,993
-	Promissory notes held		30,419,395
-	Bilateral cooperation		116,449,237
-	Interest earned		165,629,652
-	Miscellaneous income		20,699,310
<b>Total Income</b>			<b>2,207,275,587</b>
<b>ALLOCATIONS* AND PROVISIONS</b>			
-	UNDP	523,158,902	
-	UNEP	122,981,918	
-	UNIDO	470,404,413	
-	World Bank	875,765,062	
Less Adjustments		-	
Total allocations to implementing agencies			<b>1,992,310,295</b>
Secretariat and Executive Committee costs (1991-2007)			
-	includes provision for staff contracts into 2009		59,587,751
Treasury fees (2003-2007)			2,050,550
Monitoring and Evaluation costs (1999-2007)			2,540,754
Technical Audit costs (1998-2005)			909,960
Information Strategy costs (2003-2004)			
-	includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation			116,449,237
Provision for fixed-exchange-rate mechanism's fluctuations			
-	losses/(gains) in value		(24,194,005)
<b>Total allocations and provisions</b>			<b>2,149,759,292</b>
Cash			<b>27,096,900</b>
<b>Promissory Notes:</b>	<b>February</b>	<b>2007</b>	0
	<b>August</b>	<b>2007</b>	6,825,656
	<b>November</b>	<b>2007</b>	2,079,700
		<b>2008</b>	7,346,498
		<b>2009</b>	4,824,573
		<b>Unscheduled</b>	9,342,968
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>			<b>57,516,295</b>

\* 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 - 2007 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME**

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 16 March 2007

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	1991 - 2005	2006	2007	1991 - 2007
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	2,046,337,598	133,466,667	133,466,667	2,313,270,931
Cash payments/received	205,992,884	381,375,628	412,051,448	406,430,280	392,155,658	1,798,005,898	65,158,510	10,913,585	1,874,077,993
Bilateral assistance	4,366,255	12,089,441	22,035,587	22,683,491	48,504,138	109,678,912	4,507,483	2,262,842	116,449,237
Promissory notes	0	0	0	0	9,014,995	9,014,995	21,404,400	0	30,419,395
Total payments	210,359,139	393,465,069	434,087,035	429,113,771	449,674,791	1,916,699,805	91,070,393	13,176,427	2,020,946,625
Disputed contributions	0	8,098,267	0	0	0	8,098,267	0	0	8,098,267
Outstanding pledges	24,570,102	31,376,278	38,479,974	10,886,230	24,325,209	129,637,793	42,396,274		172,034,067
Payments %age to pledges	89.54%	92.61%	91.86%	97.53%	94.87%	93.66%	68.23%	9.87%	87.36%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	151,855,943	13,773,709	0	165,629,652
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	6,474,526	14,195,999	28,785	20,699,310
<b>TOTAL INCOME</b>	<b>217,124,886</b>	<b>423,288,168</b>	<b>479,996,149</b>	<b>484,185,654</b>	<b>470,435,417</b>	<b>2,075,030,274</b>	<b>119,040,101</b>	<b>13,205,213</b>	<b>2,207,275,587</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>2003-2005</b>	<b>1991 - 2005</b>	<b>2006</b>	<b>2007</b>	<b>1991-2006</b>
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	2,046,337,598	133,466,667	133,466,667	2,313,270,931
Total payments	210,359,139	393,465,069	434,087,035	429,113,771	449,674,791	1,916,699,805	91,070,393	13,176,427	2,020,946,625
Payments %age to pledges	89.54%	92.61%	91.86%	97.53%	94.87%	93.66%	68.23%	9.87%	87.36%
Total income	217,124,886	423,288,168	479,996,149	484,185,654	470,435,417	2,075,030,274	119,040,101	13,205,213	2,207,275,587
Total outstanding contributions	24,570,102	31,376,278	38,479,974	10,886,230	24,325,209	129,637,793	42,396,274	120,290,239	292,324,307
As % to total pledges	10.46%	7.39%	8.14%	2.47%	5.13%	6.34%	31.77%	90.13%	12.64%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,570,102	31,376,278	32,807,714	9,811,798	7,511,983	106,077,876	2,006,804	3,196,516	111,281,196
CEITs' outstandings %age to pledges	10.46%	7.39%	6.94%	2.23%	1.58%	5.18%	1.50%	2.39%	4.81%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, 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 : 1991-2007 Summary Status of Contributions

As at 16 March 2007

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Australia*	42,547,681	38,468,443	1,479,745	0	2,599,493	763,380
Austria	24,078,043	22,510,912	131,790	0	1,435,341	-973,034
Azerbaijan	861,199	311,683	0	0	549,516	0
Belarus	2,630,446	0	0	0	2,630,446	0
Belgium	29,815,944	28,029,705	0	0	1,786,239	614,656
Bulgaria	1,124,419	1,096,013	0	0	28,406	0
Canada*	80,153,929	67,421,702	8,352,060	0	4,380,166	-3,070,515
Cyprus	279,004	154,747	0	0	124,257	0
Czech Republic	6,392,934	6,021,060	66,090	0	305,783	39,515
Denmark	19,577,942	19,372,941	205,000	0	0	-1,043,060
Estonia	173,111	173,111	0	0	0	0
Finland	15,514,909	14,172,426	451,870	0	890,614	-701,975
France	174,488,777	140,848,617	14,255,299	9,342,968	10,041,893	-13,407,929
Germany	257,235,538	191,235,269	37,672,566	18,996,727	9,330,976	-154,972
Greece	11,697,640	8,388,646	0	0	3,308,994	-631,033
Hungary	3,914,121	3,867,627	46,494	0	0	-351
Iceland	871,058	814,246	0	0	56,812	-35,558
Ireland	6,663,287	6,663,286	0	0	0	208,838
Israel	8,752,739	3,724,671	38,106	0	4,989,962	0
Italy	135,730,921	122,671,400	9,794,489	0	3,265,032	3,291,976
Japan	447,006,278	395,768,144	16,203,212	0	35,034,923	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	367,493	367,493	0	0	0	2,174
Liechtenstein	216,922	216,922	0	0	0	0
Lithuania	548,045	14,975	0	0	533,070	0
Luxembourg	1,945,528	1,945,528	0	0	0	-105,909
Malta	74,838	51,445	0	0	23,393	0
Monaco	168,092	163,080	0	0	5,013	183
Netherlands	45,113,079	44,565,288	0	0	547,791	0
New Zealand	6,501,127	6,131,848	369,279	0	0	68,428
Norway	16,616,121	15,481,550	0	0	1,134,571	171,673
Panama	16,915	16,915	0	0	0	0
Poland	6,754,716	5,871,410	113,000	0	770,305	0
Portugal	9,576,096	5,900,271	101,700	0	3,574,125	198,162
Russian Federation	97,408,180	0	0	0	97,408,180	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	2,025,388	1,923,647	16,523	0	85,218	0
Slovenia	802,182	802,182	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	65,620,244	59,822,182	1,587,282	0	4,210,779	-87,244
Sweden	30,785,395	27,239,490	1,878,303	0	1,667,602	-711,810
Switzerland	33,234,398	29,720,845	1,821,541	0	1,692,012	-1,339,391
Tajikistan	99,977	5,333	0	0	94,644	0
Turkmenistan***	293,245	5,764	0	0	287,481	0
Ukraine	8,933,991	785,600	0	0	8,148,391	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	147,602,676	126,561,927	565,000	0	20,475,749	-7,290,209
United States of America	563,256,903	469,142,641	21,567,191	2,079,700	70,467,371	0
Uzbekistan	628,361	188,606	0	0	439,755	0
<b>SUB-TOTAL</b>	<b>2,313,270,931</b>	<b>1,873,708,714</b>	<b>116,818,516</b>	<b>30,419,395</b>	<b>292,324,307</b>	<b>-24,194,005</b>
Disputed Contributions (**)	8,098,267	0	0	0	8,098,267	
<b>TOTAL</b>	<b>2,321,369,198</b>	<b>1,873,708,714</b>	<b>116,818,516</b>	<b>30,419,395</b>	<b>300,422,574</b>	

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.

(\*\*\*) In accordance with Decisions VI/5 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 in 2004 and therefore its contribution of US\$5,764 for 2005 should be disregarded.

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

**Table 4 : Status of Contributions for 2007**

As at 16 March 2007

<b>Party</b>	<b>Agreed Contributions</b>	<b>Cash Payments</b>	<b>Bilateral Assistance</b>	<b>Promissory Notes</b>	<b>Outstanding Contributions</b>
Australia	2,660,143				2,660,143
Austria	1,435,341				1,435,341
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239				1,786,239
Bulgaria	28,406				28,406
Canada	4,700,366				4,700,366
Cyprus	65,167				65,167
Czech Republic	305,783				305,783
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613				890,613
France	10,075,793				10,075,793
Germany	14,473,719		2,247,998		12,225,721
Greece	885,600				885,600
Hungary	210,539	210,539			0
Iceland	56,812				56,812
Ireland	584,830	584,830			0
Israel	780,331				780,331
Italy	8,162,562	6,530,049			1,632,513
Japan	29,362,667				29,362,667
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393				23,393
Monaco	5,013				5,013
Netherlands	2,823,896	1,700,000			1,123,896
New Zealand	369,279	369,279			0
Norway	1,134,571				1,134,571
Poland	770,305				770,305
Portugal	785,344				785,344
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218				85,218
Slovenia	137,017	137,017			0
Spain	4,210,779				4,210,779
Sweden	1,667,602				1,667,602
Switzerland	2,000,120		14,844		1,985,276
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875				10,237,875
United States of America	29,362,667				29,362,667
Uzbekistan	23,393				23,393
<b>TOTAL</b>	<b>133,466,667</b>	<b>10,913,585</b>	<b>2,262,842</b>	<b>0</b>	<b>120,290,239</b>

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

**Table 5 : Status of Contributions for 2006**

As at 16 March 2007

<b>Party</b>	<b>Agreed Contributions</b>	<b>Cash Payments</b>	<b>Bilateral Assistance</b>	<b>Promissory Notes</b>	<b>Outstanding Contributions</b>
Australia	2,660,143	2,660,143	129,950		(129,950)
Austria	1,435,341	1,435,341			0
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239	1,786,239			0
Bulgaria	28,406	28,406			0
Canada	4,700,366	4,095,934	407,365		197,067
Cyprus	65,167	6,077			59,090
Czech Republic	305,783	305,783			0
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613	890,613			0
France	10,075,793		675,400	9,342,968	57,425
Germany	14,473,719	2,412,286	2,894,744	12,061,432	(2,894,744)
Greece	885,600				885,600
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331				780,331
Italy	8,162,562	6,530,044			1,632,518
Japan	29,362,667	29,362,667			0
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393	23,393			0
Monaco	5,013	5,013			0
Netherlands	2,823,896	3,400,000			(576,104)
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305	770,305			0
Portugal	785,344				785,344
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218	85,218			0
Slovenia	137,017	137,017			0
Spain	4,210,779	4,215,179			(4,400)
Sweden	1,667,602	1,667,602			0
Switzerland	2,000,120	1,603,345	400,024		(3,249)
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875				10,237,875
United States of America	29,362,667				29,362,667
Uzbekistan	23,393				23,393
<b>TOTAL</b>	<b>133,466,667</b>	<b>65,158,510</b>	<b>4,507,483</b>	<b>21,404,400</b>	<b>42,396,274</b>

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

**Table 6 : Status of Contributions for 2003 - 2005**

As at 16 March 2007

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	9,452,417	9,402,711	49,707	0	(1)
Austria	5,498,540	5,498,540	0	0	0
Azerbaijan	23,055	0	0	0	23,055
Belarus	109,510	0	0	0	109,510
Belgium	6,559,055	6,559,055	0	0	(0)
Bulgaria	74,928	74,928	0	0	0
Canada	14,864,502	13,885,511	1,496,257	0	(517,267)
Czech Republic	991,351	925,261	66,090	0	0
Denmark	4,351,570	4,351,570	0	0	0
Estonia	57,637	57,636	0	0	0
Finland	3,031,690	3,031,690	0	0	0
France	37,556,066	32,625,062	4,987,704	0	(56,701)
Germany	56,743,319	38,459,361	11,348,664	6,935,295	(1)
Greece	3,129,672	1,541,507	0	0	1,588,165
Hungary	697,404	650,910	46,494	0	(0)
Iceland	190,201	190,201	0	0	0
Ireland	1,711,810	1,711,809	0	0	0
Israel	2,409,214	70,024	0	0	2,339,190
Italy	29,417,765	24,947,765	4,470,000	0	0
Japan	104,280,000	92,411,013	11,868,987	0	0
Latvia	57,637	57,636	0	0	0
Liechtenstein	34,582	34,582	0	0	0
Lithuania	97,982	0	0	0	97,982
Luxembourg	461,093	461,093	0	0	0
Monaco	23,055	23,075	0	0	(20)
Netherlands	10,092,184	10,092,184	0	0	0
New Zealand	1,400,572	1,400,572	0	0	0
Norway	3,757,912	3,757,912	0	0	0
Poland	1,838,610	1,838,610	0	0	0
Portugal	2,685,870	580,732	101,700	0	2,003,437
Russian Federation	6,916,402	0	0	0	6,916,402
Slovak Republic	247,838	231,315	16,523	0	(0)
Slovenia	466,857	466,857	0	0	0
Spain	14,633,955	13,042,273	1,587,282	0	4,400
Sweden	5,965,397	5,229,610	735,787	0	(0)
Switzerland	7,342,914	6,653,986	978,943	0	(290,015)
Tajikistan	5,764	0	0	0	5,764
Turkmenistan	17,291	5,764	0	0	11,527
Ukraine	305,474	0	0	0	305,474
United Kingdom	32,155,508	32,155,509	0	0	(1)
United States of America	104,280,000	79,708,262	10,750,000	2,079,700	11,742,038
Uzbekistan	63,400	21,133	0	0	42,267
<b>TOTAL</b>	<b>474,000,000</b>	<b>392,155,658</b>	<b>48,504,138</b>	<b>9,014,995</b>	<b>24,325,209</b>

The credit balance of Canada is being used to reduce its 2006 contribution. The net amount due is reflected in Table 3: 1991 -2006 Summary Status of Contributions.



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

**Table 7 : Status of Contributions for 2005**

As at 16 March 2007

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			0
Bulgaria	24,976	24,976			0
Canada	4,954,834	5,071,627	400,473	0	(517,266)
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	9,924,993	2,685,021	0	(91,325)
Germany	18,914,440	3,782,888	3,782,888	3,782,888	7,565,776
Greece	1,043,224				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	9,258,291	547,631		0
Japan	34,760,000	27,591,193	7,168,807		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	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		101,700		793,590
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	791,441		4,400
Sweden	1,988,466	2,048,070	92,608		(152,212)
Switzerland	2,447,638	2,447,638	290,015		(290,015)
Tajikistan	1,921				1,921
Turkmenistan	5,764				5,764
Ukraine	101,825				101,825
United Kingdom	10,718,503	10,718,503			0
United States of America	34,760,000	17,642,962	5,375,000		11,742,038
Uzbekistan	21,133				21,133
<b>TOTAL</b>	<b>158,000,000</b>	<b>109,567,288</b>	<b>21,235,584</b>	<b>3,782,888</b>	<b>23,414,240</b>

The credit balance of Canada is being used to reduce its 2006 contribution. The net amount due is reflected in Table 3: 1991 -2006 Summary Status of Contributions.

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

Table 8 : Status of Contributions for 2004

As at 16 March 2007

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	10,216,006	2,302,683	0	0
Germany	18,914,440	15,762,033	3,782,888	3,152,407	(3,782,888)
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		0
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	10,718,503		0	0
United States of America	34,760,000	27,305,300	5,375,000	2,079,700	0
Uzbekistan	21,133	0			21,133
<b>TOTAL</b>	<b>158,000,000</b>	<b>131,048,549</b>	<b>20,158,667</b>	<b>5,232,107</b>	<b>1,560,678</b>

\* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005

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

**Table 9 : Status of Contributions for 2003**

As at 16 March 2007

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	3,150,806	3,101,099	49,707	0	(0)
Austria	1,832,847	1,832,847	0	0	0
Azerbaijan	7,685	0	0	0	7,685
Belarus	36,503		0	0	36,503
Belgium	2,186,352	2,186,352	0	0	(0)
Bulgaria	24,976	24,976	0	0	0
Canada	4,954,834	4,146,375	808,459	0	(0)
Czech Republic	330,450	264,360	66,090	0	0
Denmark	1,450,523	1,450,523	0	0	0
Estonia	19,212	19,212	0	0	0
Finland	1,010,563	1,010,563	0		0
France	12,518,689	12,484,064	0	0	34,625
Germany	18,914,440	18,914,440	3,782,888	0	(3,782,888)
Greece	1,043,224	1,541,507	0	0	(498,283)
Hungary	232,468	185,974	46,494	0	0
Iceland	63,400	63,400	0	0	0
Ireland	570,603	570,603	0	0	0
Israel	803,071	70,024	0	0	733,047
Italy*	9,805,922	7,844,737	1,961,185	0	0
Japan	34,760,000	34,721,722	38,278	0	0
Latvia	19,212	19,212	0	0	0
Liechtenstein	11,527	11,527	0	0	0
Lithuania	32,661	0	0	0	32,661
Luxembourg	153,698	153,698	0	0	0
Monaco	7,685	7,705	0	0	(20)
Netherlands	3,364,061	3,364,061	0	0	0
New Zealand	466,857	466,857	0	0	0
Norway	1,252,637	1,252,637	0	0	0
Poland	612,870	612,870	0	0	0
Portugal	895,290	580,732	0	0	314,558
Russian Federation	2,305,467	0	0	0	2,305,467
Slovak Republic	82,613	66,090	16,523	0	0
Slovenia	155,619	155,619	0	0	0
Spain	4,877,985	4,877,985	0	0	0
Sweden	1,988,466	1,590,773	340,264		57,429
Switzerland	2,447,638	2,447,638	0	0	0
Tajikistan	1,921	0	0	0	1,921
Turkmenistan	5,764	0	0	0	5,764
Ukraine	101,825	0	0	0	101,825
United Kingdom	10,718,503	10,718,503	0	0	(0)
United States of America	34,760,000	34,760,000	0	0	0
Uzbekistan	21,133	21,133	0	0	0
<b>TOTAL</b>	<b>158,000,001</b>	<b>151,539,820</b>	<b>7,109,888</b>	<b>0</b>	<b>(649,707)</b>

\* Italy's bilateral cooperation amount was approved at the 46th meeting in 2005.

Table 10

<b>Status of Promissory Notes As At 16 March 2007</b>									
<b>B. MULTILATERAL FUND'S PROMISSORY NOTES</b>									
Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	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			0					0	0
France		9,342,968	9,342,968					9,342,968	9,342,968
Germany		18,996,727	18,996,727					18,996,727	18,996,727
The Netherlands			0					0	0
United Kingdom			0					0	0
United States of America		2,079,700	2,079,700					2,079,700	2,079,700
<b>TOTAL</b>	<b>0</b>	<b>30,419,395</b>	<b>30,419,395</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,419,395</b>	<b>30,419,395</b>

**Table 11: 2004 - 2007 Ledger of Promissory Notes**

RECEIPTS							ENCASHMENTS					
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP b/	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain /(Loss) to intended value (USD)
10/25/2004	2004	Canada		Can\$	6,216,532.80	3,963,867.12	11/9/2004	IBRD	6,216,532.80	1/19/2005	5,140,136.76	1,176,269.64
4/21/2005	2005	Canada		Can\$	6,216,532.78	3,963,867.12	Nov. 2005	TREASURER	6,216,532.78	Nov. 2005	5,307,831.95	1,343,964.83
12/22/2006	2006	Canada		Can\$	4,794,373.31	3,760,292.79	1/19/2007	TREASURER	4,794,373.31	1/19/2007	4,088,320.38	328,027.59
12/31/2004	2004	France		Euro	10,597,399.70	9,784,322.50	9/28/2006	TREASURER	10,597,399.70	9/28/2006	12,102,125.26	2,317,802.76
1/18/2006	2005	France		Euro	11,217,315.23	10,356,675.50	9/28/2006	TREASURER	11,217,315.23	9/28/2006	12,810,062.64	2,453,387.14
12/20/2006	2006	France		Euro	7,503,239.54	<b>9,342,968.43</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>7,503,239.54</b>			
8/9/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57	8/3/2005	TREASURER	6,304,813.19	8/3/2005	6,304,813.19	-
							8/11/2006	TREASURER	6,304,813.19	8/11/2006	6,304,813.19	-
							2/16/2007	TREASURER	3,152,406.60	2/16/2007	3,152,406.60	-
						<b>3,152,406.59</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>3,152,406.59</b>			
									18,914,439.57			
7/8/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83	4/18/2006	TREASURER	1,260,962.64	4/18/2006	1,260,962.64	-
							8/11/2006	TREASURER	1,260,962.64	8/11/2006	1,260,962.64	-
							2/16/2007	TREASURER	1,260,962.64	2/16/2007	1,260,962.64	-
						<b>3,782,887.91</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>3,782,887.91</b>			
									7,565,775.83			
5/10/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52						
						2,412,286.41	2/28/2007	TREASURER	1,943,820.40	2/28/2007	2,558,067.65	145,781.24
						<b>12,061,432.11</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>9,719,101.98</b>			
									11,662,922.38			
12/8/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	11/17/2004	TREASURER	3,364,061.32	11/17/2004	3,364,061.32	-
12/8/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	12/5/2005	TREASURER	3,364,061.32	12/5/2005	3,364,061.32	-

**Table 11: 2004 - 2007 Ledger of Promissory Notes**

RECEIPTS							ENCASHMENTS					
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP b/	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain /(Loss) to intended value (USD)
5/18/2004	2004	UK		GBP	7,243,564.08	10,718,502.63						
						1,786,417.11	8/23/2005	TREASURER	1,207,260.68	8/23/2005	2,166,550.02	380,132.91
						5,359,251.32	Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32
						3,572,834.20	7/24/2006	TREASURER	3,621,782.04	7/24/2006	4,473,383.73	900,549.53
						10,718,502.63			7,243,564.08		12,943,645.39	2,225,142.76
6/1/2005	2005	UK		GBP	7,243,564.08	10,718,502.63						
						1,786,417.11	7/24/2006	TREASURER	1,207,260.68	7/24/2006	2,236,691.86	450,274.75
						4,681,386.55	8/9/2006	TREASURER	3,163,681.03	8/9/2006	6,036,303.40	1,354,916.85
						4,250,698.97	8/16/2006	TREASURER	2,872,622.37	8/16/2006	5,429,236.28	1,178,537.31
						10,718,502.63			7,243,564.08		13,702,231.54	2,983,728.91
5/13/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	10/27/2005	TREASURER	2,000,000.00	10/27/2005	2,000,000.00	-
							11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-
						<b>920,000.00</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>920,000.00</b>			
									4,920,000.00			
3/1/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-
						<b>1,159,700.00</b>	<b>BALANCE</b>	<b>TREASURER</b>	<b>1,159,700.00</b>			
									3,159,700.00			

**TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL****OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT AS AT 16 MARCH 2007****(IN US\$)**

	<b>Due in 2007</b>	<b>Due in 2008</b>	<b>Due in 2009</b>	<b>Unscheduled</b>	<b>TOTAL</b>
<b>GERMANY:</b>					
2004 P. Note: (US\$)	3,152,407				3,152,407
2005 P. Note: (US\$)	1,260,963	2,521,925			3,782,888
2006 P. Note: (in US \$ at FERM rate of US \$1:Euro 0.8058)	2,412,286	4,824,573	4,824,573		12,061,432
<b>USA:</b>					
2005 Note: (US\$)	920,000				920,000
2006 Note: (US\$)	1,159,700				1,159,700
<b>USA's notes are both due in November 2007.</b>					
<b>FRANCE:</b>					
2006 P. Note: (in US \$ at FERM rate of US \$1:Euro 0.8058)				9,342,968	9,342,968
	<b>8,905,356</b>	<b>7,346,498</b>	<b>4,824,573</b>	<b>9,342,968</b>	<b>30,419,395</b>

**NOTE:**

For the triennium 2003 - 2005, Germany opted to pay in US \$.

For the triennium 2006 - 2008, Germany opted to pay in Euro, using the FERM.

**Germany's annual payment are made in two tranches, February and August.**

**LIST OF COUNTRIES WHICH AS AT 16 MARCH 2007 HAVE CONFIRMED  
TO THE TREASURER THAT THEY WOULD BE USING THE FIXED-  
EXCHANGE-RATE MECHANISM DURING THE 2006 – 2008 TRIENNIUM**

1. Australia
2. Austria
3. Belgium
4. Canada
5. Germany
6. Hungary
7. Latvia
8. United Kingdom
9. France
10. Greece
11. Slovak Republic
12. Switzerland
13. Sweden
14. Finland
15. Denmark
16. Spain



**Annex II**

**2007 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNDP**

<b>Item</b>	<b>2007 Target</b>
Number of annual programmes of multi-year agreements approved versus those planned	45
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	22
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	20
ODS phased-out for individual projects versus those planned per progress reports	1,229 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	60
Number of policy/regulatory assistance completed versus that planned	4/6 (67%)
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time



**Annex III**

**2007 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNEP**

<b>Item</b>	<b>2007 Target</b>
Number of annual programmes of multi-year agreements approved versus those planned	35 (9 tranches of approved MYA and 26 new MYA)
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	30
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	9
ODS phased-out for individual projects versus those planned per progress reports	0
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	86
Number of policy/regulatory assistance completed versus that planned	64 countries or 100% of countries listed in Annex I either received assistance or assistance was offered
Speed of financial completion versus that required per progress report completion dates	On time
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time



**Annex IV**

**2007 BUSINESS PLAN PERFORMANCE INDICATORS FOR UNIDO**

<b>Item</b>	<b>2007 Target</b>
Number of annual programmes of multi-year agreements approved versus those planned	32
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	22
Milestone activities completed/ODS levels achieved for approved multi-year annual tranches versus those planned	20
ODS phased-out for individual projects vs. those planned per progress reports	346.2 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	20
Number of policy/regulatory assistance completed versus that planned	11
Speed of financial completion versus that required per progress report completion dates	12 months after operational completion
Timely submission of project completion reports versus those agreed	On time
Timely submission of progress reports and responses unless otherwise agreed	On time



**Annex V**

**2007 BUSINESS PLAN PERFORMANCE INDICATORS FOR THE WORLD BANK**

<b>Item</b>	<b>2007 Target</b>
Number of annual programmes of multi-year agreements approved versus those planned	19 <sup>(1)</sup>
Number of individual projects/activities (investment projects, RMPs, halon banks, TAS) approved versus those planned	4
Milestone activities completed (e.g. policy measures, regulatory assistance)/ODS levels achieved for approved multi-year annual tranches versus those planned	18
ODS phased-out for individual projects versus those planned per progress reports	1,334 ODP tonnes
Project completion (pursuant to decision 28/2 for investment projects) and as defined for non-investment projects versus those planned in progress reports	10 <sup>(2)</sup>
Number of policy/regulatory assistance completed versus that planned	9/9
Speed of financial completion versus that required per progress report completion dates	11 months
Timely submission of project completion reports versus those agreed	100%
Timely submission of progress reports and responses unless otherwise agreed	100%

<sup>(1)</sup> Includes one annual programme of new multi-year projects expected to be approved by the Executive Committee in 2007.

<sup>(2)</sup> Represents the number of projects expected to be completed in 2007, which will lead to an expected phase-out of 1,334 ODP tonnes.





**DRAFT OVERVIEW TABLES FOR MULTI-YEAR AGREEMENTS**  
**A5 Example country**

**(1) PROJECT TITLE:** National ODS phase-out plan

**(2) EXECUTIVE COMMITTEE APPROVALS AND PROVISIONS**

CODE	AGENCY	EXCOM PROVISION	Fulfilled	According to (Agency/ Country/ Verification/ Secretariat/ ExCom)
XY/PHA/39/INV/10	UN Agency	Approval	Yes	ExCom
XY/PHA/39/TAS/05	UN Agency	The sub-project should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar. Also, the subproject is approved without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance issues.	Yes	Verification
XY/PHA/39/TAS/08	UN Agency	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/39/TAS/09	UN Agency	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/46/INV/11	UN Agency	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	no	Agency
XY/PHA/50/INV/14	UN Agency		n/a	n/a
XY/PHA/39/TRA/06	Other IA/BA	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a
XY/PHA/39/TRA/07	Other IA/BA	Approved without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.	n/a	n/a

Source: Inventory

**(3) ARTICLE 7 DATA (ODP TONNES)**

Chemical	Baseline	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
CFC	40.8	40.3	40.1	41.9	46.5	53.1	61.9	68.8	49.9	35.0	36.6	14.3
CTC	3.1	3.1	3.1	3.1	3.1	3.1	3.1	1.3	0.0	2.9	0.0	0.0
Halons	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MBR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TCA	0.0	0.0	0.0	0.2	0.0	0.0	0.1	0.1	0.6	0.1	0.0	0.0

Source: A7 Data from the Ozone Secretariat

**(4) LATEST COUNTRY PROGRAMME SECTORAL DATA (ODP TONNES)**

Year: 2005

Chemical	Aerosol	Foam	Halon	Refrigeration		Solvent	Process Agent	MDI	Lab Use	Methyl Bromide		Tobacco Fluffing	Total
				Manufacturing	Servicing					QPS	Non-QPS		
CFC					36.0								36.0
CTC													0.0
Halons													0.0
MBR													0.0
TCA													0.0

Source: Country Programme Data

**(5) PHASE-OUT (ODP TONNES)**

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total	Decision
Maximum Allowable ODS Consumption (Agreement; per substance if valid)	68.0	61.2	36.2	15.2	6.2	2.2	0.0		
Compliance Action Target (MOP)	68.0	61.2	36.2	15.2	6.2	2.2	0.0		Decision XV/26
Consumption Reported in implementation report submitted	42.0	36.6	14.3						
Consumption Reported in the Verification Report	42.0	36.6	14.3						
Reduction Under Plan		6.8	25.0	21.0	9.0	4.0	2.2	68.0	
Approved Phase-Out (Inventory)	9.1		25.0	21.0				55.1	
Actual Phase-Out (2005 PR)	9.1		25.0					34.1	
Remaining Phase-Out to be Achieved									

Source: Agreement, Inventory, Progress Report, MOP Report, Project Document (Annual Plan) and Verification Reports.

**(6a) PROJECT COSTS (US\$)**

Calendar year	2003	2004	2005	2006	2007	2008	2009	Total
<b>UN Agency</b>								
Funding as per Agreement	181,068	172,322	72,322	42,322	22,322	22,322	22,322	535,000
Funds approved (Inventory)	181,068		172,322	72,322				425,712
Estimated Disbursement in Previous Progress Report	85,001		0	0				85,001
Funds Disbursed in Current Progress Report	66,969		0	0				66,969
Funds Obligated in Current Progress Report	21,576		0	0				21,576
Estimated Disbursement in Current Progress Report	54,955		30,000	0				84,955
Disbursement as per Annual Plan								
[Comments]								
<b>Other IA/BA</b>								
Funding as per Agreement	118,125							118,125
Funds approved (Inventory)	118,125							118,125
Estimated Disbursement in Previous Progress Report	63,314							63,314
Funds Disbursed in Current Progress Report	64,440							64,440
Funds Obligated in Current Progress Report	53,685							53,685
Estimated Disbursement in Current Progress Report	53,685							53,685
Disbursement as per Annual Plan								
[Comments]								

Source: Agreement, Inventory, Progress Reports and Project Document (Annual Plan)

**(6b) SUBMISSION SCHEDULES (planned and actual)**

Submission year as per agreement	2003	2004	2005	2006
Planned submission as per Agreement	Apr-03	Apr-04	Apr-05	Apr-06
Tranche Number	I	II	III	
Revised Planned Submission (As per Submission Delays Decisions)	n/a	n/a	n/a	n/a
Date Approved	Apr-03	Jul-05	Nov-06	n/a

Source: Agreement, Inventory and Final ExCom Report Decisions

**(7) INFORMATION ON POLICIES FROM COUNTRY PROGRAMME AND VERIFICATION REPORTS**

	Last year covered by tranche report submitted	
	Country Programme	Verification Report
<b>Establishing general guidelines to control import (production and export) of ODS</b>		
ODS Import/Export licensing or permit system in place of bulk ODSs	Yes	
Regulatory procedures for ODS data collection and reporting in place	Yes	
Requiring permits for import or sale of bulk ODSs	Yes	
Quota system in place for import of bulk ODSs	Yes	
<b>Banning import or sale of bulk quantities of:</b>		
CFCs	Yes	
Halons	No	
Other ODSs (CTC, TCA, methyl bromide)	Yes	
<b>Banning import or sale of:</b>		
Used domestic refrigerators or freezers using CFC	Yes	
MAC systems using CFC	Yes	
Air conditioners and chillers using CFC	Yes	
CFC-containing aerosols except for metered dose inhalers	Yes	
Use of CFC in production of some or all types of foam	Yes	
<b>Enforcement of ODS import controls</b>		
Registration of ODS importers	Yes	
<b>Qualitative assessment of the operation of RMP</b>		
The ODS import licensing scheme functions	Very well	
The CFC recovery and recycling programme functions	Not so well	

Source: Country Programme and Verification Report

**(8) IMPLEMENTATION DETAILS**

	Completed tranche covered by report submitted								Tranche currently implemented (preliminary data)				
	Activities			Budget				Explanations	Activities		Budget		Explanations
	Planned (annual)	Actual (annual)	Cumulative achievement as compared to overall plan [%]*	Planned (annual)	Actual (annual)	Cumulative achievement as compared to overall plan [%]*	Carryover		Planned	Actual	Planned	Actual	
<b>Customs Training</b>				23,600	19,500								
Train the Trainers	30	30											
Training of Customs Officers	At least 68	80											
<b>Good Practices in Refrigeration</b>				60,000	62,000						0		
Train the Trainers	20	32											
Training of Technicians by Trained Trainers	600	300							300	271			
Strengthening vocational schools									Yes				
<b>Refrigeration Service investment component</b>											45,000		
Recovery & Recycling, establish R&R Centers									3				
Service equipment supply other than R&R									0				
Conversion, ...									0				
<b>Solvent Phase-Out Project</b>	2.3 ODP tonnes	0		45,000	0				2.3 ODP tonnes	2.3 ODP tonnes	45,000	32,080	The project is completed
<b>Methyl Bromide Component</b>				20,000	18,026								
Methyl Bromide Workshop	1	1											
<b>PMU &amp; Monitoring</b>				10,000	12,500								
<b>Unforeseen Activities</b>													

\*Refers to latest revision of overall plan

**(9) Annual plan submitted compared to overall plan**

	Activities		Budget		Explanations
	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]*	Planned (future tranche)	Cumulative achievement as compared to overall plan [%]*	
<b>Customs Training</b>			23,600		
Train the Trainers	60				
Training of Customs Officers	At least 100				
<b>Good Practices in Refrigeration</b>			60,000		
Train the Trainers	40				
Training of Technicians by Trained Trainers	300				
Strengthening vocational schools					
<b>Refrigeration Service investment component</b>					
Recovery & Recycling, establish R&R Centers					
Service equipment supply other than R&R					
Conversion, ...					
<b>Solvent Phase-Out Project</b>	2.3 ODP tonnes		45,000		
<b>Methyl Bromide Component</b>			20,000		
Methyl Bromide Workshop	1				
<b>PMU &amp; Monitoring</b>			10,000		
<b>Unforeseen Activities</b>					

\*Refers to latest revision of overall plan

**(10) EXECUTIVE SUMMARY**

Narrative Executive Summary of 255 characters that assesses for the MYA what results have been achieved in the year compared to the annual and the overall plan and what milestones are planned for the following year. This would be similar to the information included in the "Remarks" Column of the annual progress report and the remarks associated with implementation delays. It would also highlight implementation difficulties encountered and actions planned to overcome them.

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>ALGERIA</b>					
<b>PHASE-OUT PLAN</b>					
<b>ODS phase out plan</b>					
Project preparation for an ODS phase-out management plan	UNIDO		\$15,000	\$1,125	\$16,125
<i>Approved on the understanding that this amount represents final funding for project preparation for a complete CFC phase-out plan.</i>					
<b>Total for Algeria</b>			<b>\$15,000</b>	<b>\$1,125</b>	<b>\$16,125</b>
<b>ANGOLA</b>					
<b>PHASE-OUT PLAN</b>					
<b>CFC phase out plan</b>					
Project preparation for a terminal phase-out management plan	UNEP		\$18,000	\$2,340	\$20,340
<i>Approved on the condition that: funding would not be disbursed, until such time as an official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Angola; no further funding would be considered for Angola until the country had ratified the London Amendment to the Montreal Protocol. In developing and subsequently implementing the TPMP the agency should take into account decision 47/10 (e) regarding the inclusion in licensing systems of import controls for methyl bromide, CTC and/or TCA, as well as other CFCs.</i>					
Project preparation for a terminal phase-out management plan in the servicing sector	UNDP		\$12,000	\$900	\$12,900
<i>Approved on the condition that: funding would not be disbursed, until such time as an official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Angola; no further funding would be considered for Angola until the country had ratified the London Amendment to the Montreal Protocol. In developing and subsequently implementing the TPMP the agency should take into account decision 47/10 (e) regarding the inclusion in licensing systems of import controls for methyl bromide, CTC and/or TCA, as well as other CFCs.</i>					
<b>Total for Angola</b>			<b>\$30,000</b>	<b>\$3,240</b>	<b>\$33,240</b>
<b>BAHAMAS</b>					
<b>PHASE-OUT PLAN</b>					
<b>CFC phase out plan</b>					
Terminal phase-out management plan: 2006-2007 biennial programme	IBRD	25.0	\$120,000	\$15,600	\$135,600
<i>Approved on the condition that: no funds would be disbursed by the World Bank until the World Bank had submitted the following documentation to the Secretariat: (i) a verification report for 2006 detailing the legal and institutional set up of the import and export control regime and how it was implemented, as well as verifying the 2006 consumption data; (ii) a verification report for, as a minimum, the first eight months of the year 2007, showing that within that time frame there had been no consumption of CFCs in the Bahamas; (iii) an implementation report for the 2006/2007 tranche; and further details on the utilization of the amount of US \$144,000 disbursed from the second tranche of funding. The World Bank agreed to deliver such reports not later than the 54th Meeting of the Executive Committee.</i>					

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>Total for Bahamas</b>		<b>25.0</b>	<b>\$120,000</b>	<b>\$15,600</b>	<b>\$135,600</b>	
<b>BOLIVIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
Terminal phase-out management plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>	UNDP	0.1	\$151,000	\$11,325	\$162,325	
Terminal phase-out management plan (first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>	Canada		\$79,000	\$10,270	\$89,270	
<b>Total for Bolivia</b>		<b>0.1</b>	<b>\$230,000</b>	<b>\$21,595</b>	<b>\$251,595</b>	
<b>CHILE</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening (phase VII)	UNDP	15.4	\$186,550	\$13,991	\$200,541	
<b>Total for Chile</b>		<b>15.4</b>	<b>\$186,550</b>	<b>\$13,991</b>	<b>\$200,541</b>	
<b>CHINA</b>						
<b>AEROSOL</b>						
<b>Sectoral phase out plan</b>						
Phase-out of CFC consumption in the pharmaceutical aerosol sector (2007-2008 biennial programme) <i>Approved on the understanding that no more funding would be approved for new sector plans for the phase-out of CFC consumption in China, excluding the MDI sub-sector.</i>	IBRD	485.1	\$6,000,000	\$450,000	\$6,450,000	12.37
<b>PROCESS AGENT</b>						
<b>Sectoral phase out plan</b>						
Phase-out of the production and consumption of CTC for process agent and other non-identified uses (phase I): 2007 annual programme <i>Note: Phase-out of 6,642 ODP tonnes of CTC production. The Committee took note of the results of the survey by the World Bank of CTC consumption in process agent applications listed in Table A-bis of decision XVII/8 of the 17th Meeting of the Parties and in potential process agent applications which had been newly identified and reviewed by the Technology and Economic Assessment Panel (TEAP) but had yet to be considered by the Parties for inclusion in the list of controlled substances as process agents, in accordance with decision X/14 of the 10th Meeting of the Parties. The Committee also considered the need to reconfirm the ceiling of 14,300 ODP tonnes set in the agreement for those applications at the 52nd Meeting of the Executive Committee; and requested the World Bank to provide reasons for over 1,496.1 ODP tonnes of CTC production not accounted for in the results of the verification of CTC production and consumption for process agent uses in 2006 in Phase I as part of the verification of CTC consumption in Phase II of the sector plan due for the 52nd Meeting.</i>	IBRD		\$5,000,000	\$375,000	\$5,375,000	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PRODUCTION</b>						
<b>CFC closure</b>						
Sector plan for CFC production phase-out: 2007 annual programme	IBRD		\$24,000,000	\$1,800,000	\$25,800,000	
<i>Note: A total of 6,100 ODP tonnes of CFCs in the production sector will be phased out.</i>						
<i>The Government of China was requested to ensure that CFC plants are being adequately maintained for safety and emission control prior to full closure, and that the dismantling of these plants will be carried out in an environmentally responsible manner in 2007.</i>						
<i>The Committee took note of the report on the China 2006 CFC export, with the understanding that it does not constitute the verification of China's CFC exports for 2006, as it has not been validated against the official data from the General Administration of Customs for 2006.</i>						
<b>REFRIGERATION</b>						
<b>Sectoral phase out plan</b>						
Refrigeration servicing sector CFC phase-out plan (third tranche)	UNIDO	782.0	\$700,000	\$52,500	\$752,500	
	<b>Total for China</b>	<b>1,267.1</b>	<b>\$35,700,000</b>	<b>\$2,677,500</b>	<b>\$38,377,500</b>	
<b>COMOROS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase V) UNEP			\$60,000	\$0	\$60,000	
	<b>Total for Comoros</b>		<b>\$60,000</b>		<b>\$60,000</b>	
<b>CONGO</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase V) UNEP			\$60,000	\$0	\$60,000	
	<b>Total for Congo</b>		<b>\$60,000</b>		<b>\$60,000</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>CONGO, DR</b>						
<b>SOLVENT</b>						
<b>Sectoral phase out plan</b>						
Umbrella project for terminal phase-out of ODS in the solvent sector (first phase)	Italy	9.0	\$288,440	\$37,497	\$325,937	16.33
<p><i>Approved in principle at a level of \$432,660 plus agency support costs of \$56,246 on the understanding that this project will address all of the remaining CTC and TCA consumption in the country, as well as all of the CFC consumption in the solvent sector, and that the country will not request any more funding for activities to phase-out CFCs, CTC and TCA. The Government of Italy was requested to submit a request for the second phase when implementation of the first phase has begun and equipment supply activities have commenced at companies representing at least 13.4 ODP tonnes of consumption, which amounts to 50% of the funded phase-out. This request will be contingent on the submission of a report on the implementation of the first tranche and detailed information about the planned second phase. The Government of Italy was also requested to include in this report, as a minimum, information on the companies addressed in the first phase, such as name and address, exact specification (name, manufacturer, year) of the baseline equipment to be replaced, solvent consumption as verified by Italy and exact use of the solvent, as well as the level of support and status of the implementation in those companies. The plan for the second phase should identify by name and address the remaining enterprises to be supported by investment activities, as well as for each one the exact use of the solvent, the quantity used, information on baseline equipment, and support intended to be given. The level of support for each company in both phases should remain below the applicable cost-effectiveness thresholds, and should take into account the established eligibility criteria.</i></p>						
<b>Total for Congo, DR</b>		<b>9.0</b>	<b>\$288,440</b>	<b>\$37,497</b>	<b>\$325,937</b>	
<b>DOMINICAN REPUBLIC</b>						
<b>HALON</b>						
<b>Banking</b>						
National halon bank management plan update	UNDP	1.2	\$20,000	\$1,800	\$21,800	
<p><i>Approved US\$20,000 for the purchase of equipment on the understanding that the remaining balance of US\$4,000 could be submitted for consideration at a future meeting on the condition that it included a business plan, to be approved by the Executive Committee, for the sustainability of the operation of the halon bank.</i></p>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out plan for Annex A (Group I) substances: (third tranche)	UNDP		\$400,000	\$30,000	\$430,000	5.50
<b>Total for Dominican Republic</b>		<b>1.2</b>	<b>\$420,000</b>	<b>\$31,800</b>	<b>\$451,800</b>	



## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>ECUADOR</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase IV, first year)	IBRD		\$88,400	\$6,630	\$95,030
<i>Approved for one year only and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>					
<b>Total for Ecuador</b>			<b>\$88,400</b>	<b>\$6,630</b>	<b>\$95,030</b>
<b>EGYPT</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase VI)	UNIDO	18.9	\$228,323	\$17,124	\$245,447
<b>Total for Egypt</b>			<b>18.9</b>	<b>\$228,323</b>	<b>\$17,124</b>
<b>ETHIOPIA</b>					
<b>PHASE-OUT PLAN</b>					
<b>CFC phase out plan</b>					
Project preparation for a terminal phase-out management plan in the servicing sector	France		\$30,000	\$3,900	\$33,900
<i>Approved on the understanding that funding would not be disbursed, until such time as official commitment in writing to ratify the London Amendment to the Montreal Protocol had been received by the Secretariat from the Government of Ethiopia; and no further funding would be considered for Ethiopia until the country had ratified the London Amendment to the Montreal Protocol. In developing and subsequently implementing the TPMP the agency should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for methyl bromide, CTC and/or TCA, as well as other CFCs.</i>					
<b>Total for Ethiopia</b>			<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>
<b>GEORGIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase V)	UNEP		\$60,667	\$0	\$60,667
<b>Total for Georgia</b>			<b>\$60,667</b>		<b>\$60,667</b>
<b>HONDURAS</b>					
<b>PHASE-OUT PLAN</b>					
<b>CFC phase out plan</b>					
Project preparation for a terminal phase-out management plan	UNIDO		\$15,000	\$1,125	\$16,125
<i>Approved on the understanding that, in developing and subsequently implementing the TPMP, UNIDO should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for MB, CTC and/or TCA, as well as CFCs.</i>					

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Project preparation for a terminal phase-out management plan	UNEP		\$15,000	\$1,950	\$16,950	
<i>Approved on the understanding that, in developing and subsequently implementing the TPMP, UNEP should take into account decision 47/10(e) regarding the inclusion in licensing systems of import controls for MB, CTC and/or TCA, as well as CFCs.</i>						
<b>Total for Honduras</b>			<b>\$30,000</b>	<b>\$3,075</b>	<b>\$33,075</b>	
<b>INDIA</b>						
<b>PRODUCTION</b>						
<b>CFC closure</b>						
CFC production sector gradual phase-out: 2007 annual implementation plan	IBRD		\$6,000,000	\$450,000	\$6,450,000	
<i>Phase-out of 3,953.0 ODP tonnes of CFCs in the production sector.</i>						
<b>Total for India</b>			<b>\$6,000,000</b>	<b>\$450,000</b>	<b>\$6,450,000</b>	
<b>INDONESIA</b>						
<b>FOAM</b>						
<b>Multiple-subsectors</b>						
Phase-out of residual CFCs in the foam sector (third tranche)	IBRD	156.0	\$147,564	\$11,067	\$158,631	
<b>REFRIGERATION</b>						
<b>MAC</b>						
Phase-out of CFCs in the refrigeration sector (MAC) (fifth tranche)	IBRD	110.0	\$125,800	\$10,002	\$135,802	
<b>Multiple-subsectors</b>						
Phase-out of CFCs in the refrigeration sector (manufacturing) (fifth tranche)	UNDP	300.0	\$217,000	\$19,530	\$236,530	
Phase-out of CFCs in the refrigeration sector (servicing) (fifth tranche)	UNDP	322.0	\$159,555	\$13,160	\$172,715	
<b>Total for Indonesia</b>			<b>888.0</b>	<b>\$649,919</b>	<b>\$53,759</b>	<b>\$703,678</b>
<b>IRAN</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2007 annual implementation programme	UNIDO		\$36,179	\$2,713	\$38,892	
National CFC phase-out plan: 2007 annual implementation programme	Germany	250.3	\$920,868	\$101,295	\$1,022,163	6.59
<b>Total for Iran</b>			<b>250.3</b>	<b>\$957,047</b>	<b>\$104,008</b>	<b>\$1,061,055</b>
<b>KOREA, DPR</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Implementation of the NPP: regulations, training programme and monitoring (third tranche)	UNEP	18.0	\$100,000	\$13,000	\$113,000	
<b>Total for Korea, DPR</b>			<b>18.0</b>	<b>\$100,000</b>	<b>\$13,000</b>	<b>\$113,000</b>

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>LIBERIA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase II)	UNEP		\$85,213	\$0	\$85,213
<b>Total for Liberia</b>			<b>\$85,213</b>		<b>\$85,213</b>
<b>MEXICO</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
Project preparation in the fumigant sector	UNIDO		\$60,000	\$4,500	\$64,500
<i>Approved on the understanding that this will address the complete phase out of all remaining MB uses in the country with an accelerated schedule, and that no further project preparation funding will be requested for the MB sector.</i>					
<b>Total for Mexico</b>			<b>\$60,000</b>	<b>\$4,500</b>	<b>\$64,500</b>
<b>MONTENEGRO</b>					
<b>SEVERAL</b>					
<b>Country programme/country survey</b>					
Project preparation for a country programme and a terminal phase-out plan	UNIDO		\$40,000	\$3,600	\$43,600
<b>Ozone unit support</b>					
Establishment of the ozone unit	UNIDO		\$30,000	\$2,250	\$32,250
<b>Total for Montenegro</b>			<b>\$70,000</b>	<b>\$5,850</b>	<b>\$75,850</b>
<b>MOROCCO</b>					
<b>FUMIGANT</b>					
<b>Methyl bromide</b>					
Project preparation for a methyl bromide phase-out plan (green beans and cucumber)	UNIDO		\$35,000	\$2,625	\$37,625
<b>Total for Morocco</b>			<b>\$35,000</b>	<b>\$2,625</b>	<b>\$37,625</b>
<b>PAKISTAN</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of institutional strengthening project (phase IV, first year)	UNDP		\$112,233	\$8,418	\$120,651
<i>Approved for one year only and without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance.</i>					
<b>Total for Pakistan</b>			<b>\$112,233</b>	<b>\$8,418</b>	<b>\$120,651</b>

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PARAGUAY</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for Annex A Group I substances (first tranche)	UNDP	68.7	\$160,000	\$12,000	\$172,000	
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance, and in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP. The first tranche was approved on the understanding that the agencies will not disburse any funding until the Government of Paraguay submits to the Ozone Secretariat a plan of action with specific time benchmarks to ensure a prompt return to compliance as required under decision XVIII/32.</i>						
Terminal phase-out management plan for Annex A Group I substances (first tranche)	UNEP		\$80,000	\$10,400	\$90,400	
<i>Approved without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance, and in accordance with the Agreement between the Government and the Executive Committee. The agencies were urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP. The first tranche was approved on the understanding that the agencies will not disburse any funding until the Government of Paraguay submits to the Ozone Secretariat a plan of action with specific time benchmarks to ensure a prompt return to compliance as required under decision XVIII/32.</i>						
	<b>Total for Paraguay</b>	<b>68.7</b>	<b>\$240,000</b>	<b>\$22,400</b>	<b>\$262,400</b>	
<b>PHILIPPINES</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2007 annual programme	IBRD	907.0	\$337,717	\$20,795	\$358,512	
	<b>Total for Philippines</b>	<b>907.0</b>	<b>\$337,717</b>	<b>\$20,795</b>	<b>\$358,512</b>	
<b>ROMANIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (third tranche)	UNIDO	14.9	\$30,000	\$2,250	\$32,250	5.49
	<b>Total for Romania</b>	<b>14.9</b>	<b>\$30,000</b>	<b>\$2,250</b>	<b>\$32,250</b>	
<b>SEYCHELLES</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
Terminal ODS phase-out management plan (first tranche)	France		\$120,000	\$15,600	\$135,600	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee. France was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>						
	<b>Total for Seychelles</b>		<b>\$120,000</b>	<b>\$15,600</b>	<b>\$135,600</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SIERRA LEONE</b>						
<b>HALON</b>						
<b>Technical assistance/support</b>						
Technical assistance for awareness raising in the halon sector	UNDP		\$15,000	\$1,350	\$16,350	
<i>Approved on the understanding that no further funding would be requested by the Government of Sierra Leone for the halon sector.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase II, 2nd year)	UNEP		\$48,445	\$0	\$48,445	
<b>Total for Sierra Leone</b>			<b>\$63,445</b>	<b>\$1,350</b>	<b>\$64,795</b>	
<b>TRINIDAD AND TOBAGO</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Audit for an ongoing terminal phase-out management plan	UNDP		\$20,000	\$1,500	\$21,500	
<b>Total for Trinidad and Tobago</b>			<b>\$20,000</b>	<b>\$1,500</b>	<b>\$21,500</b>	
<b>VENEZUELA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2006 work programme	UNIDO	50.0	\$2,071,831	\$155,387	\$2,227,218	
<i>Funding was approved on the basis that CFC production in 2005, which included production for domestic feedstock use in a future year, had resulted in a calculated CFC consumption level in excess of the limits set under the agreement, and that CFC feedstock use in a future year of an amount greater than the excess quantity had been verified before approval.</i>						
<b>Total for Venezuela</b>		<b>50.0</b>	<b>\$2,071,831</b>	<b>\$155,387</b>	<b>\$2,227,218</b>	
<b>ZIMBABWE</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Total phase-out of methyl bromide used in tobacco seedlings (second tranche)	UNIDO	160.0	\$1,862,486	\$139,686	\$2,002,172	21.91
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National phase-out of Annex A (Group I) substances (phase II, first tranche)	Germany	25.0	\$175,000	\$22,347	\$197,347	8.69
<i>Approved in accordance with the Agreement between the Government and the Executive Committee. Germany was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i>						
<b>Total for Zimbabwe</b>		<b>185.0</b>	<b>\$2,037,486</b>	<b>\$162,033</b>	<b>\$2,199,519</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>REGION: LAC</b>						
<b>SEVERAL</b>						
<b>Technical assistance/support</b>						
Latin American Customs Enforcement Network: Preventing illegal trade of ODS	Canada		\$50,000	\$6,500	\$56,500	
<i>Approved without prejudice to future funding approvals for the remaining two years proposed for the project.</i>						
Latin American Customs Enforcement Network: Preventing illegal trade of ODS	UNEP		\$80,000	\$10,400	\$90,400	
<i>Approved without prejudice to future funding approvals for the remaining two years proposed for the project.</i>						
	<b>Total for Region: LAC</b>		<b>\$130,000</b>	<b>\$16,900</b>	<b>\$146,900</b>	
	<b>GRAND TOTAL</b>	<b>3,718.5</b>	<b>\$50,667,271</b>	<b>\$3,873,452</b>	<b>\$54,540,723</b>	

## Summary

UNEP/OzL.Pro/ExCom/51/46  
Annex VII

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
<b>BILATERAL COOPERATION</b>				
Solvent	9.0	\$288,440	\$37,497	\$325,937
Phase-out plan	275.3	\$1,324,868	\$153,412	\$1,478,280
Several		\$50,000	\$6,500	\$56,500
<b>TOTAL:</b>	284.3	\$1,663,308	\$197,409	\$1,860,717
<b>INVESTMENT PROJECT</b>				
Aerosol	485.1	\$6,000,000	\$450,000	\$6,450,000
Foam	156.0	\$147,564	\$11,067	\$158,631
Fumigant	160.0	\$1,862,486	\$139,686	\$2,002,172
Process agent		\$5,000,000	\$375,000	\$5,375,000
Production		\$30,000,000	\$2,250,000	\$32,250,000
Refrigeration	1,514.0	\$1,202,355	\$95,192	\$1,297,547
Phase-out plan	1,083.7	\$3,486,727	\$273,470	\$3,760,197
<b>TOTAL:</b>	3,398.8	\$47,699,132	\$3,594,415	\$51,293,547
<b>WORK PROGRAMME AMENDMENT</b>				
Fumigant		\$95,000	\$7,125	\$102,125
Halon	1.2	\$35,000	\$3,150	\$38,150
Phase-out plan		\$95,000	\$8,940	\$103,940
Several	34.3	\$1,079,831	\$62,413	\$1,142,244
<b>TOTAL:</b>	35.5	\$1,304,831	\$81,628	\$1,386,459
<b>Summary by Parties and Implementing Agencies</b>				
Canada		\$129,000	\$16,770	\$145,770
France		\$150,000	\$19,500	\$169,500
Germany	275.3	\$1,095,868	\$123,642	\$1,219,510
Italy	9.0	\$288,440	\$37,497	\$325,937
IBRD	1,683.1	\$41,819,481	\$3,139,094	\$44,958,575
UNDP	707.4	\$1,453,338	\$113,974	\$1,567,312
UNEP	18.0	\$607,325	\$38,090	\$645,415
UNIDO	1,025.8	\$5,123,819	\$384,885	\$5,508,704
<b>GRAND TOTAL</b>	3,718.5	\$50,667,271	\$3,873,452	\$54,540,723

**ADJUSTMENTS ARISING FROM THE 51ST MEETING OF THE EXECUTIVE COMMITTEE FOR BALANCES  
ON PROJECTS AND ACTIVITIES**

<b>Agency (1)</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
Canada (per decision 51/4(c)) (2)	196,871	25,593	222,464
UNDP (per decision 51/4(a)(ii)&(iii))	115,285	14,058	129,343
UNEP (per decision 51/4(a)(ii)&(iii))	755	44	799
UNIDO (per decision 51/4(a)(ii),(iii)&(v))	(196,419)	6,399	(190,020)
World Bank (per decision 51/4(a)(ii)&(iii))	32,129	4,177	36,306
<b>Total</b>	<b>148,621</b>	<b>50,271</b>	<b>198,892</b>

**ADJUSTMENTS ARISING FROM THE 51ST MEETING OF THE EXECUTIVE COMMITTEE FOR  
TRANSFERRED PROJECTS**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
UNDP (per decision 51/4 (c) and 51/10 (b))	256,871	22,218	279,089
UNIDO (per decision 51/4(a)(vi))	222,000	16,650	238,650
World Bank (per decision 51/10(b))	(60,000)	(4,500)	(64,500)

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON  
DECISIONS OF THE 51ST MEETING OF THE EXECUTIVE COMMITTEE**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
Canada (2)	(67,871)	(8,823)	(76,694)
France (3)	150,000	19,500	169,500
Germany (4)	1,095,868	123,642	1,219,510
Italy (3)	288,440	37,497	325,937
UNDP	1,594,924	122,134	1,717,058
UNEP	606,570	38,046	644,616
UNIDO	5,542,238	395,136	5,937,374
World Bank	41,727,352	3,130,417	44,857,769
<b>Total</b>	<b>50,937,521</b>	<b>3,857,549</b>	<b>54,795,070</b>

(1) The notation in Decision 51/4(a) (vi) of the return by Sweden of US \$250,860 was already recorded by the Treasurer in the status of contributions and disbursement document at the 50th meeting.

(2) Total amount which includes the amount of \$222,464 to be deducted from the 2005 bilateral assistance of Canada per Decision 51/4(c) and an amount of \$145,770 to be netted off from Canada contribution in 2007 as per dec. 51/20(b)(i). Any outstanding payment of Canada in 2005 and 2006 shall be credited to 2007.

(3) Total amount to be assigned to 2007 bilateral contributions.

(4) Amount for Germany of US \$646,693 to be applied in 2007 and US \$572,817 to be applied in 2008.



### **Annex VIII**

#### **AGREEMENT BETWEEN THE GOVERNMENT OF BOLIVIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE TERMINAL PHASE-OUT MANAGEMENT PLAN**

1. This Agreement represents the understanding of the Government of Bolivia (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 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) and Annex B (Group II) of the Montreal Protocol as set out in rows 2 and 4 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 as described in the project document.
3. Subject to compliance 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 7 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (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 (the “Annual Implementation Programme”) 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 (the “Monitoring”) 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 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 subparagraph 5(d). 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.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme will be implemented in stages so that remaining resources can be diverted to other 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; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan.

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 fulfill the obligations under this Agreement. Canada has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 8 and 9 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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. At 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 reductions in consumption not achieved in any one year.

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

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access 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.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-115
Annex B:	Group II	CTC

### APPENDIX 2-A: THE TARGETS, AND FUNDING

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A, Group I substances (ODP tonnes)	37.8	11.4	11.4	11.4	0.00	
2. Maximum allowable consumption of Annex A, Group I substances (ODP tonnes)	26.7	11.4	11.4	11.4	0.00	
3. Montreal Protocol consumption limits of Annex B, Group II substances (ODP tonnes)	0.0	0.0	0.0	0.0	0.00	
4. Maximum allowable consumption of Annex B, Group II substances (ODP tonnes)	0.2	0.1	0.0	0.0	0.00	
5. Lead IA agreed funding (US \$)		79,000	88,000			167,000
6. Cooperating IA agreed funding (US \$)		151,000	222,000			373,000
7. Total agreed funding (US \$)		230,000	310,000	0	0	540,000
8. Lead IA support costs (US \$)		10,270	11,440	0	0	21,710
9. Cooperating IA support costs (US \$)		11,325	16,650	0	0	27,975
10. Total agreed support costs (US \$)		21,595	28,090	0	0	49,685
11. Grand total agreed funding (US \$)		251,595	338,090			589,685

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the second tranche will be considered for approval at the second meeting of 2008. In case the Executive Committee requires verification of the achievements of the targets in the TPMP, it is understood that the approval or disbursement of the tranche might be delayed until the verification is completed and has been reviewed.

### APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

#### 1. Data

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead implementing agency \_\_\_\_\_  
 Cooperating agency(ies) \_\_\_\_\_

#### 2. Targets

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

#### 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						
Total						
Refrigeration						
Total						
Grand total						

#### 4. Technical Assistance

Proposed Activity:  
 Objective:  
 Target Group:  
 Impact:

5. **Government Action**

<b>Policy/Activity planned</b>	<b>Schedule of implementation</b>
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. **Annual Budget**

<b>Activity</b>	<b>Planned expenditures (US \$)</b>
Total	

7. **Administrative Fees**

**APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the project "Monitoring and Management Unit", within the National Ozone Unit.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the TPMP. This organization, along with the Cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Bolivia for related auditing. Based on discussion with the Lead IA, Bolivia should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

**APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be 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) Assisting the Country in preparation of the Annual Implementation Programme;

- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Bolivia consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;
- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist the Country in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

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





## **Annex IX**

### **AGREEMENT BETWEEN SEYCHELLES AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE TERMINAL PHASE-OUT MANAGEMENT PLAN**

1. This Agreement represents the understanding of the Government of Seychelles (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 compliance with Protocol.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 1 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 as described in the project document.
3. Subject to compliance 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 2 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (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 (the “Annual Implementation Programme”) 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 (the “Monitoring”) 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 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 5(d). 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 the implementation of the annual programme.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme will be implemented in stages so that remaining resources can be diverted to other 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; and
- (c) The Country and the implementing agency will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan.

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 fulfill the obligations under this Agreement. France has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to 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 3 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances 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. At 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 reductions in consumption not achieved 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 the Lead IA with access 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.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### APPENDIX 2-A: THE TARGETS, AND FUNDING

	2006	2007	2008	2009	2010	Total
1. Max. allowable total consumption of Annex A Group I substances (ODP tonnes)	1.4	0.4	0.4	0.4	0	
2. Lead IA agreed funding (US \$)		120,000	60,000	13,000		193,000
3. Lead IA support costs (US \$)		15,600	7,800	1,690		25,090
4. Grand total agreed funding (US \$)		135,600	67,800	14,690		218,090

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the Annual Implementation Programme.

### APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME

1. <b>Data</b>	
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	_____
Cooperating agency(ies)	_____

2. **Targets**

<b>Indicators</b>		<b>Preceding year</b>	<b>Year of plan</b>	<b>Reduction</b>
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

3. **Industry Action**

<b>Sector</b>	<b>Consumption preceding year (1)</b>	<b>Consumption year of plan (2)</b>	<b>Reduction within year of plan (1) – (2)</b>	<b>Number of projects completed</b>	<b>Number of servicing related activities</b>	<b>ODS phase-out (in ODP tonnes)</b>
Manufacturing						
Total						
Refrigeration						
Total						
Grand total						

4. **Technical Assistance**

Proposed Activity:  
Objective:  
Target Group:  
Impact:

5. **Government Action**

<b>Policy/Activity planned</b>	<b>Schedule of implementation</b>
Type of policy control on ODS import: servicing, etc.	
Public awareness	
Others	

6. **Annual Budget**

<b>Activity</b>	<b>Planned expenditures (US \$)</b>
Total	

7. **Administrative Fees**

## APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES

1. Discussions with the National Ozone Unit and the Lead IA will determine the need for a monitoring unit or whether the tasks could be done through the joint efforts of both the agencies.

<b>Institution involved</b>	<b>Role</b>	<b>Responsibility type and frequency of reporting</b>	<b>Evaluation</b>
Ozone Office	Overall monitoring	Meetings with Lead IA Meeting reports, MoU	By Lead IA
Lead IA	Lead IA	Expenditure Report Quarterly Report	By Lead IA
Lead IA	Lead IA	Progress report (annual) Quarterly Report	By Ozone Officer

### Verification and reporting

2. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Seychelles for related auditing. Based on discussion with the Lead IA, Seychelles should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme. The monitoring reports will be produced and verified each year, previous to the third meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

## APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY

1. The Lead IA will be responsible for a range of activities to be 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) Assisting the Country in preparation of the Annual Implementation Programme;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Seychelles consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
- (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future Annual Implementation Programme;

- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCIES**

Not relevant.

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

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

## **Annex X**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 51<sup>st</sup> MEETING**

#### *Chile*

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Chile, and acknowledges the significant steps that have been taken by Chile to reduce its ODS consumption. These actions include among others, interagency coordination efforts related to project implementation, that ensure national compliance with Montreal Protocol commitments, as well as training, monitoring, and awareness raising campaigns. The Committee notes with appreciation that Chile has successfully returned to compliance with its methyl bromide obligations under the Protocol and that the regulation for ODS import/export control is being implemented. The Committee notes with concern however that the Country has not met its targets under its plan of action for methyl chloroform and urges Chile to undertake measures to meet its compliance commitments. The Executive Committee hopes that Chile will continue its integrated approach to ODS phase out for the next two years and until 2010.

#### *Comoros*

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Comoros, and notes with appreciation that Comoros has reported data to the Ozone Secretariat, indicating that it reduced its CFC consumption in 2005 beyond the required 50% reduction. The Executive Committee is therefore hopeful that, in the next two years, Comoros will continue with the implementation of its country programme and related activities with outstanding success, and achieve complete phase out of its ODS consumption ahead of schedule.

#### *Congo*

3. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Congo, and notes with appreciation that Congo has reported data to the Ozone Secretariat, indicating that it reduced its CFC consumption in 2005 beyond the required 50% reduction. The Executive Committee is therefore hopeful that, in the next two years, Congo will continue with the implementation of its country programme and related activities with outstanding success, and achieve complete phase out of its ODS consumption ahead of schedule.

#### *Ecuador*

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Ecuador, and notes with concern that Ecuador reported data to the Ozone Secretariat indicating that its level of methyl bromide consumption in 2005 exceeded its maximum allowable consumption under the Montreal Protocol for that year. The

Committee acknowledges, and will continue to support, the considerable steps that have been taken by the Government of Ecuador to reduce its ODS consumption. The Executive Committee is hopeful that, in the next two years, Ecuador will continue its strategic approach to ODS phase-out, including the implementation of ongoing projects and the enactment of supporting legislative measures. The Committee also hopes that Ecuador will successfully put in place controls to bring the country back to compliance with its methyl bromide obligations under the Montreal Protocol in 2007.

*Egypt*

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Egypt, and notes with appreciation that Egypt reported data to the Ozone Secretariat indicating that it reduced its CFC consumption in 2005 beyond its CFC compliance baseline. The Committee also notes that within the framework of the institutional strengthening project, Egypt has taken significant steps to phase out its ODS consumption, specifically, implementation of strategies in different sectors of ODS phase out, as well as continued regulatory efforts through the licensing and quota system. The Executive Committee greatly supports the efforts of Egypt to reduce the consumption of CFCs, and is hopeful that, in the next two years, Egypt will continue with the implementation of its country programme and related activities with outstanding success, and achieve further reductions of its CFC consumption levels.

*Georgia*

6. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Georgia, and notes with appreciation that Georgia has reported 2005 data to the Ozone Secretariat, indicating that it is on track with the phase out schedule in CFC consumption. The Executive Committee is therefore hopeful that, in the next two years, Georgia will continue with the implementation of its country programme and related activities with outstanding success, and achieve further reductions in its CFC consumption levels.

*Liberia*

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Liberia, and notes with appreciation that Liberia has reported 2005 data to the Ozone Secretariat, indicating that it is already in compliance with the 85% reduction target for 2007. The Executive Committee is therefore hopeful that, in the next two years, Liberia will continue with the implementation of its country programme and related activities with outstanding success, and remain in compliance with the CFC consumption reduction schedules of the Montreal Protocol.

*Pakistan*

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Pakistan, and notes with concern, that Pakistan reported data to the Ozone Secretariat indicating that its level of CTC consumption in



2005 exceeded its maximum allowable consumption under the Montreal Protocol for that year. The Committee also acknowledges the prompt action of Pakistan in presenting a plan of action to return it to compliance with the CTC control measures of the Montreal Protocol. Pakistan has taken significant steps to phase out its ODS consumption, specifically, moving forward with the implementation of the halon bank project, the RMP and CTC sector phase out, and controlling imports of CFCs and CFC based equipment through a licensing system. The Executive Committee greatly supports the efforts of Pakistan to reduce its consumption of ODS and is therefore hopeful that, in the next year, Pakistan will continue with the implementation of its country programme and related activities with outstanding success, and ensure its compliance with the CTC reduction schedules of the Montreal Protocol.

*Sierra Leone*

9. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Sierra Leone, and notes with appreciation that Sierra Leone has reported data to the Ozone Secretariat, indicating that it reduced its CFC consumption in 2005 beyond the required 50% reduction, and that the country achieved total phase out in other substances. The Executive Committee is therefore hopeful that, in the next year, Sierra Leone will continue with the implementation of its country programme and related activities with outstanding success, and achieve complete phase out of its ODS consumption ahead of schedule.



## Annex XI

### **AGREEMENT BETWEEN PARAGUAY AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF ANNEX A GROUP I OZONE-DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of the Government of Paraguay (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 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances in Annex A (Group I) of the Montreal Protocol as set out in row 2 of Appendix 2-A (the “Targets, and Funding”) in this Agreement. 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 as described in the project document
3. Subject to compliance 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 5 of Appendix 2-A (the “Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2 -A. It will also accept independent verification by the relevant implementing agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for the applicable year;
  - (b) That the meeting of these Targets will be independently verified, if requested by the Executive Committee consistent with paragraph (d) of decision 45/54;
  - (c) That the Country has substantially completed all actions set out in the last annual implementation programme; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation program in the form of Appendix 4-A (the “Annual Implementation Programme”) 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 (the “Monitoring”) 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 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 5(d). 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.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme will be implemented in stages so that remaining resources can be diverted to other 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; and
- (c) The Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the terminal phase-out management plan.

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. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNDP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IA will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 6 and 7 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A (Group I) of the Montreal Protocol 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. At 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 reductions in consumption not achieved in any one year.

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

12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA and the Cooperating IA to facilitate implementation of this Agreement. In particular, it will provide the Lead IA and the Cooperating IA with access 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.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### APPENDIX 2-A: THE TARGETS, AND FUNDING

	2006	2007	2008	2009	2010	Total
1. Montreal Protocol consumption limits of Annex A Group I substances (ODP tonnes)	105.3	31.6	31.6	31.6	0.00	
2. Max. allowable total consumption of Annex A Group I substances (ODP tonnes)		31.6	31.6	31.6	0.00	
3. Lead IA agreed funding (US \$)		80,000	60,000	30,000	24,000	194,000
4. Cooperating IA agreed funding (US \$)		160,000	140,000	50,000	21,000	371,000
5. Total agreed funding costs (US \$)		240,000	200,000	80,000	45,000	565,000
6. Lead IA support costs (US \$)		10,400	7,800	3,900	3,120	25,220
7. Cooperating IA support costs (US \$)		12,000	10,500	3,750	1,575	27,825
8. Total agreed support costs (US \$)		22,400	18,300	7,650	4,695	53,045
9. Grand total agreed funding (US \$)		262,400	218,300	87,650	49,695	618,045

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the Annual Implementation Programme.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME**

1. **Data**

Country \_\_\_\_\_  
 Year of plan \_\_\_\_\_  
 # of years completed \_\_\_\_\_  
 # of years remaining under the plan \_\_\_\_\_  
 Target ODS consumption of the preceding year \_\_\_\_\_  
 Target ODS consumption of the year of plan \_\_\_\_\_  
 Level of funding requested \_\_\_\_\_  
 Lead implementing agency \_\_\_\_\_  
 Cooperating agency(ies) \_\_\_\_\_

2. **Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

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						
Total						
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 monitoring of the initiatives within the TPMP and of the compliance with the CFC consumption limits will be carried out within the project “TPMP Implementation, Monitoring, and Control”.
2. The project will produce quarterly operational reports for the purpose of timely identification of problems or obstacles and design of corrective measures. The quarterly reports will be consolidated into an Annual Progress Report, which in turn will be the basis for the “TPMP Annual Implementation Report” and the “TPMP Annual Implementation Plan” to be submitted to the Executive Committee.

Verification and reporting

3. In accordance to decision 45/54 (d), the Executive Committee reserves the right for independent verification in case the Executive Committee selects Paraguay for related auditing. Based on discussion with the Lead IA, Paraguay should select the independent organization (auditing) to carry out the verification of the TPMP results and this independent monitoring programme.

**APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be 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) Assisting the Country in preparation of the Annual Implementation Programme;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme consistent with Appendix-5A. In case the Executive Committee selects Paraguay consistent with paragraph (d) of decision 45/54, separate funding will be provided by the Executive Committee to the Lead IA for this undertaking;
  - (d) Ensuring that the achievements in previous annual implementation programmes are reflected in the future annual implementation programme;

- (e) Reporting on the implementation of the Annual Implementation Programme of the preceding year and preparing for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the 2008 annual implementation programme combined with the report on the 2007 annual implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets, if requested by the Executive Committee;
- (j) Coordinating the activities of the Cooperating IA;
- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist the Country in the implementation and assessment of the activities funded for by the Cooperating IA; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports.

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

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



## **Annex XII**

### **AGREEMENT BETWEEN ZIMBABWE AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE NATIONAL PHASE-OUT PLAN OF ANNEX A (GROUP I) SUBSTANCES**

1. This Agreement represents the understanding of the Government of Zimbabwe (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 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in row 2 of Appendix 2-A (the “Targets and Funding”) in 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 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 5 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Target for the applicable year;
  - (b) That the meeting of the Target has been independently verified as described in paragraph 9;
  - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme; and
  - (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 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 5(d). 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.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation;
- (b) The technical assistance programme for the refrigeration servicing subsectors will be implemented in stages so that 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;
- (c) The Country and the Lead IA will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the project.

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. Germany (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The 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 6 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. At 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 reductions in consumption not achieved 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 by 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.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Annex A:	Group I	CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115
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### APPENDIX 2-A: THE TARGETS, AND FUNDING

	2006	2007	2008	2009	2010	Total
1. Max allowable total consumption of Annex A Group I substances (ODP tonnes)	225.7	67.7	67.7	67.7	0.0	
2. Max agreed total consumption of Annex A Group I substances (ODP tonnes)		65.0	40.0	20.0	0.0	
3. Reduction from ongoing projects		0.0	0.0	0.0	0.0	
4. New reduction under plan		25.0	20.0	20.0	0.0	65.0
5. Lead IA agreed funding (US \$)		175,000	175,000	175,000	40,000	565,000
6. Lead IA support costs (US \$)		22,347	22,347	22,347	5,108	72,150
7. Grand total agreed funding (US \$)		197,347	197,347	197,347	45,108	637,150

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding will be considered for approval at the first meeting of the year for which funding is being requested.

**APPENDIX 4-A: FORMAT OF ANNUAL IMPLEMENTATION PROGRAMME**

**1. Data**

Country	_____
Year of plan	_____
# of years completed	_____
# of years remaining under the plan	_____
Target ODS consumption of the preceding year	_____
Target ODS consumption of the year of plan	_____
Level of funding requested	_____
Lead implementing agency	_____
Cooperating agency(ies)	_____

**2. Targets**

Indicators		Preceding year	Year of plan	Reduction
Supply of ODS	Import			
	Total (1)			
Demand of ODS	Manufacturing			
	Servicing			
	Stockpiling			
	Total (2)			

**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						
Total						
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 Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the national phase-out plan. All the monitoring activities have so far been done through the efforts of the Ozone Unit together with the local GTZ office in Harare and GTZ Proklima in Namibia. However efforts are ongoing to find a suitable individual who could undertake the tasks of the Project Monitoring Unit.

2. The success of the monitoring programme will be based on well designed forms for data collection, evaluation and reporting; regular programme of monitoring visits; and appropriate cross-checking of information from different sources.

Verification and reporting

3. The outcome of the different elements of the national phase-out plan and of the monitoring activities will be verified independently by an external organization. The Country and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

Frequency of verification and reporting

4. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

**APPENDIX 6-A: ROLE OF THE LEAD IA**

1. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (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 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 for annual implementation programme for the year of submission for submission to the Executive Committee, commencing with the Annual Implementation Programme combined with the report on the 2007 Annual Implementation programme;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (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) Providing verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (k) Providing assistance with policy, management and technical support when required.

#### **APPENDIX 6-B: ROLE OF COOPERATING IA**

Not relevant.

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

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

## SECRETARIAT BUDGETS FOR 2007, 2008 AND 2009

		Approved	Approved	Approved
		2007	2008	2009
10	PERSONNEL COMPONENT			
1100	Project Personnel ( Title & Grade)			
	01 Chief Officer (D2)	189,454	198,926	208,873
	02 Deputy Chief Officer ( Economic Cooperation) (P5)	173,852	182,545	191,672
	03 Deputy Chief officer ( Technical Cooperation) (P5)	177,336	186,203	195,513
	04 Senior Project Management Officer (P5)	168,955	177,403	186,273
	05 Senior Project Management Officer (P5)	168,955	177,403	186,273
	06 Senior Project Management Officer (P5)	168,955	177,403	186,273
	07 Senior Project Management Officer (P5)	168,955	177,403	186,273
	08 Information Management Officer (P3)	149,393	156,863	164,706
	09 <b>Admin &amp; Fund Management Officer (P4 upgraded to P5) (1)</b>	151,589	159,168	167,126
	10 Senior Monitoring and Evaluation Officer (P5)	168,955	177,403	186,273
	11 Associate Executive Assistant (P2)	78,719	82,654	86,787
	12 Associate IT officer (P2)	74,970	78,719	82,654
1199	Sub-Total	<b>1,840,089</b>	<b>1,932,093</b>	<b>2,028,698</b>
1200	Consultants			
	01 Technical and project review	150,000		
1299	Sub-Total	<b>150,000</b>	-	-
1300	Administrative Support Personnel			
	01 Admin Assistant (G8)	71,217	74,777	78,516
	02 Meeting Services Assistant (G7)	67,387	70,756	74,294
	03 Programme Assistant (G8)	71,217	74,777	78,516
	04 Senior Secretary (Deputy Chief, EC) (G6)	52,753	55,391	58,160
	05 Senior Secretary (Deputy Chief, TC) (G6)	52,753	55,391	58,160
	06 Computer Operations Assistant (G8)	71,217	74,777	78,516
	07 Secretary (Prog. Officers -2) (G6)	55,755	58,542	61,469
	08 Secretary/Clerk, Administration (G7)	59,811	62,801	65,941
	09 Registry Clerk (G5)	45,570	47,849	50,241
	10 Database Assistant (G8)	71,217	74,777	78,516
	11 Secretary, Monitoring & Evaluation (G6)	52,753	55,391	58,160
	Sub-Total	<b>671,647</b>	<b>705,229</b>	<b>740,491</b>
	33 Meeting Services: ExCom (3)	600,000		
	35 Temporary assistance	50,000		
	Sub-Total	<b>650,000</b>	-	-
1399	TOTAL ADMINISTRATIVE SUPPORT COST	<b>1,321,647</b>	<b>705,229</b>	<b>740,491</b>
1600	Travel on official business			
	01 Mission Costs	160,000		
19	COMPONENT TOTAL	<b>3,471,735</b>	<b>2,637,322</b>	<b>2,769,188</b>

		Approved	Approved	Approved
		2007	2008	2009
20	CONTRACTUAL COMPONENT			
2100	Sub-contracts			
	01	Treasury services	500,000	
2200	Subcontracts			
		<b>Other Studies (2)</b>	<b>150,000</b>	
	01	Various Studies (3)	350,000	
29	COMPONENT TOTAL		<b>1,000,000</b>	
30	MEETING PARTICIPATION COMPONENT			
3300	Travel & DSA for Art 5 delegates to ExCom Meetings			
	01	Travel of Chairperson and Vice-Chairperson	30,000	
	02	Executive Committee (3)	225,000	
	03	Informal Sub-Group Meetings	30,000	
39	COMPONENT TOTAL		<b>285,000</b>	
40	EQUIPMENT COMPONENT			
4100	Expendables			
	01	Office Stationery	15,000	
	02	Software	9,000	
		Sub-Total	<b>24,000</b>	
4200	Non-Expendable Equipment			
	01	Computers, printers	10,000	
	02	Others	5,000	
		Sub-Total	<b>15,000</b>	
4300	Premises			
	01	Rental of office premises*	460,000	
49	COMPONENT TOTAL		<b>499,000</b>	



		Approved	Approved	Approved
		2007	2008	2009
	MISCELLANEOUS COMPONENT			
51	Operation and Maintenance of Equipment			
	01 Computers and printers, etc.	9,000		
	02 Maintenance of office premises	9,000		
	03 Rental of photocopiers	15,000		
	04 Telecommunication equipment	9,000		
	05 Network maintenance	12,000		
	Sub-total	<b>54,000</b>		
52	Reporting Costs			
	01 Executive Committee meetings			
	02 Others	20,000		
	Sub-total	<b>20,000</b>		
53	Sundries			
	01 Communications	40,000		
	02 Freight Charges	15,000		
	03 Bank Charges	5,000		
	04 Staff training	38,000		
	Sub-total	<b>98,000</b>		
54	01 Hospitality costs	10,000		
59	COMPONENT TOTAL	<b>182,000</b>		
GRAND TOTAL		5,437,735	2,637,322	2,769,188
	Programme Support Costs ( 13%)	326,526	342,852	359,994
	(applied to budget lines 11 and 13.01 to 13.11 only)			
	<b>COST TO MULTILATERAL FUND</b>	<b>5,764,261</b>	<b>2,980,174</b>	<b>3,129,183</b>
	<b>Previous budget schedule</b>	<b>5,614,261</b>	<b>2,980,174</b>	<b>3,129,183</b>
(1) The annual cost of the upgrade is charged to budget line 2101 UNEP treasury fees as per decision 51/39 (c).				
(2) As per decision 51/39 (e) and exclusive of travel costs.				
(3) As per decision 50/45(g).				
* The estimated 2007 rental costs amount to \$460,000. \$135,000 of which will be charged to the Fund, and approximately \$325,000 will be funded by the Government of Canada as part of their commitment to pay the cost differentials of having the Secretariat based in Montreal as opposed to having it based in Nairobi.				