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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-third Meeting
Montreal, 26-30 November 2007

OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

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PROJECTS AND ACTIVITIES PRESENTED TO THE 53RD MEETING OF THE EXECUTIVE COMMITTEE

Introduction

1. This document has three sections. Section I provides the statistics on the submissions to the 53rd Meeting received from implementing and bilateral agencies. It also has an assessment of the fund balance available against the demand for funds from the submissions, and proposed solutions for managing the cash flow in case of a short fall. Section II presents the policy issues identified by the Secretariat from the review of the submissions, at the meeting. Section III, which is a new addition introduced from the 52nd Meeting, presents a number of submissions received from the implementing agencies, which propose amendments to approved projects or annual tranches of multi-year agreements (MYAs). While these do not include requests for additional funding, the proposed changes may have implications on the allocation and use of already approved funds and the activities in the existing agreements. In each case a decision by the Executive Committee is expected.

Section I. Submissions by bilateral and implementing agencies

2. The Secretariat received for consideration at the 53rd Meeting multi-year agreements, projects and activities amounting to US \$107,492,096. This amount includes the total value of new multi-year agreements proposed for approval in principle.

3. This total also covers 267 funding requests, which include specific annual tranches and other projects/activities amounting to US \$103,119,006 (including agency support costs where applicable). Following review by the Secretariat, the number of projects and programmes which are being forwarded to the Executive Committee for consideration is 134 or 50.2 per cent of the total number of the funding requests that had been received, with a value of US \$81,296,238 or 78.8 per cent of the total value of the requests.

4. The list of projects recommended by the Secretariat for blanket approval contains 89 activities with a total value of US \$20,876,449. These represent 33.3 per cent of the total number of funding requests received and 20.2 per cent of the value of the requested funding level. A list of these projects is contained in Annex I.

5. A total of 45 projects and activities are recommended by the Secretariat for individual consideration for a number of reasons ranging from project cost to allocating project funds to enterprises established after July 1995. In terms of percentage, these projects are 16.9 per cent of the total number of funding requests and 58.6 per cent of the value of the requested funding level. The list of investment projects for individual consideration is contained in Annex II.

6. There are 10 submissions which were considered by the Secretariat as incomplete and in accordance with decision 50/14. A list of these incomplete submissions, with the reason each submission was not considered for approval, is contained in Table 3 of the annual tranche submission delays document UNEP/OzL.Pro/ExCom/53/13. 133 projects/activities have been withdrawn by the agencies submitting them, including 95 requests for HCFC related activities.

Status of the Fund

7. At the time of writing this paper, the fund balance of the Multilateral Fund stood at US \$102,052,565 which breaks down into US \$66,013,075 in cash and US \$36,039,490 in promissory notes. Of the value of the promissory notes, US \$4,579,700 is encashable in November 2007. In addition, it is estimated that another US \$11.8 million will become available as interest earned from of the Fund by the end of the year. Also, US \$317,748 is being returned to the 53rd Meeting in the context of the report on balances and availability of resources. Therefore, in total, the cash balance of the Fund would be approximately US \$82 million available as of this time to fund any new commitment.

8. However the total demand for funds would be approximately US \$87 million. This includes US \$81,296,238 to cover the demand for funding of all the projects and activities submitted for consideration at the 53rd Meeting, should the projects on the list for blanket approval and for individual consideration be approved at the funding level proposed. It also includes another US \$6.5 million for the budget of the Secretariat and the 2008 annual work programme for monitoring and evaluation.

9. While there could be a shortfall in the cash balance to finance all of the activities submitted to this Meeting, plus the budget of the Secretariat, the Fund balance of US \$102 million as it now stands is more than sufficient to finance all the requirements. The cash balance may also change if additional contributions are received in cash between now and the time of the 53rd Meeting. At the same time, the demand for project funds may also decrease as a result of review and approvals by the Executive Committee at the Meeting.

10. In the event that the situation with the cash balance does not change vis-à-vis the demand for funds at the time of the Meeting, priority in disbursements will need to be given to those requests covered in the 2007 business plan. The requests for advance disbursement from the accelerated phase-out plan of the Argentina CFC production sector plan, the 2008 work programme of the China CFC production sector plan, and the 2008 work programme of the Romania ODS production sector plan, would need to be considered on the basis of availability of cash.

Section II. Policy issues identified during project review

Requests for HCFC surveys

11. A total 96 requests for HCFC surveys were received from UNDP, UNEP and UNIDO as work programme amendments for the 53rd Meeting. A break-down of these submissions by agency is as follows: UNDP-22 requests, UNEP-50 requests and UNIDO-24 requests. There were a number of countries for which requests were overlapping between the agencies. A total of 13 are included in the work programme amendments documents for UNDP and UNIDO (UNEP/OzL.Pro/ExCom/53/17 and 19) because by 17 October an endorsement letter from the recipient country was received by the Secretariat from the submitting agency, and 83 are not included in these documents since the relevant letters from the countries had not been received by that date. However these requests are included in the business plan document UNEP/OzL.Pro/ExCom/53/5.

12. There are two issues associated with these requests, both from the procedural and the substantive perspective.

13. In accordance with decision 51/5, where the Committee decided: “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”, the requests for HCFC surveys and project preparations should not be for consideration at this meeting. However in view of the recent decision of the 19th Meeting of the Parties on accelerating HCFC phase-out, the Secretariat has endeavoured to draw the desire of countries for HCFC surveys to the attention of the Executive Committee and let the Committee decide on the best way to deal with them. In order to do that, however the Secretariat had to make sure that some of the statutory requirements for submitting funding requests to the Executive Committee were being met. An endorsement letter from the recipient country has been mandatory from the inception of the Fund as per the terms of reference of the Multilateral Fund.

14. Moreover, an indication of the desire of the recipient government to carry out the HCFC survey, following the decision of the 19th Meeting of the Parties, was considered as necessary because the requirement of decision XIX/6 for Multilateral Fund assistance to prepare management plans for an accelerated HCFC phase out and to conduct HCFC surveys might prompt countries to rethink their requests for HCFC surveys and decide to proceed towards the preparation of the management plan directly by combining the two activities.

15. Managing the pre-session documentation has always been a substantive challenge for the Secretariat because, according to the deadline set by the Executive Committee, meeting documents must be issued to Executive Committee Members four weeks prior to the meeting. In order to do that, the Secretariat has to set corresponding deadlines for the implementing agencies to submit their requests and while leaving time for the Secretariat staff to review the submissions, communicate its comments to the submitting agencies, receive their reply and eventually prepare the documents for the Meeting of the Executive Committee. That is the background to setting a deadline of 17 October for the implementing agencies to submit an endorsement letter from the relevant countries in support of the requests for HCFC surveys. This requirement was communicated to the implementing agencies on 3 October.

16. To further accommodate the request of the implementing agencies for more time to obtain the endorsement letters from countries, the Secretariat agreed with UNEP and UNIDO that, although an endorsement letter from the recipient country was a prerequisite for the requests to be included in the work programme amendment document of the relevant implementing agencies, those requests for HCFC surveys that could not be submitted to the Committee as part of the WPA because endorsement letters from countries had not been sent by the agencies to the Secretariat within the deadline would be included in the business plan document, and that the whole issue of HCFC surveys would also be discussed in the overview paper. This would ensure that these requests were covered in the documentation for the 53rd Meeting, and provided the opportunity for them to be discussed and be dealt with by the Executive Committee in any manner that the Committee would see fit.

17. The Secretariat wishes to note that it has not reviewed those requests for HCFC surveys that were not accompanied by an endorsement letter from the recipient country.

18. The need for timely support to Article 5 countries to prepare HCFC phase-out management plans and conduct surveys to improve reliability of baseline data is articulated in decision XIX/6 of the 19th Meeting of the Parties. However the Executive Committee has already funded similar exercises, once for the preparation of the country programmes and the second time in the preparation of the sector and national CFC phase out plans, and has good experience applicable to managing the HCFC planning exercise. In view of the close connection of data collection and planning, it would be necessary to consider strategically the possibility of joining the two activities for the benefit of faster results at a lower cost.

19. The Executive Committee may wish to consider this issue in the context of its discussion of the paper on options for assessing and defining incremental costs for phasing out HCFC consumption and production (UNEP/OzL.Pro/ExCom/53/63).

Implementation of the guidelines for sustainability plans for halon banking

20. On behalf of the Governments of Kuwait and Morocco, UNIDO submitted requests to the 53rd Meeting for halon banking activities that did not comply with the requirement of decision 44/8 para. (d), which “requests bilateral and implementing agencies concerned to assist the companies or institutions hosting recovery and recycling centres to review the original planning agreed by the countries and stakeholders in developing a new business plan, which should include calculations of operational costs and projections of revenues, as well as costs and modalities for transporting halon and/or equipment to and from clients.”

21. The requests did not include the business plan to demonstrate the viability of the halon banking, nor did it identify the institution to host the centre. However the Governments of Kuwait and Morocco indicated that they would sustain the operation through market forces while providing the NOU with the resources needed to implement the Government’s policies.

22. There are already two similar projects which were approved, but disbursement was withheld by decision of the Committee for not having developed a viable business plan. The first one is the halon banking project in Libya approved in 2005 where UNIDO was instructed to withhold disbursement for not having a hosting institution for the halon centre identified. UNIDO, on behalf of the Government of Libya, reported to the 53rd Meeting in the context of the Report on Project Implementation Delays, that a state-owned commercial company (Silamnia Co.), specializing in import and servicing of fire fighting equipment, had been recommended to host halon R&R equipment and the preparation of the respective business plan would be facilitated by the visit of an international consultant. It should be noted that Libya is subject to an action plan approved by the Parties for halon (decision XVII/37) and has committed to a total halon phase-out in 2008.

23. The other one is the halon banking project for Haiti (under UNEP implementation) approved in 2006 with a similar condition that no funding would be disbursed until an acceptable business plan for the sustainability of the operation of the halon bank has been submitted to the Secretariat. As at writing this document, UNEP had not submitted the required business plan.

24. UNIDO deferred the two requests from the submissions to the 53rd Meeting, but is seeking further clarification of the interpretation of decision 44/8(d), specifically (a) whether the hosting institution of the halon centre should be identified at the time of project submission, and

(b) whether a commitment of the government to support the centre is sufficient as guarantee for sustainability.

Definition of consumption under a performance based agreement

25. The National CFC Consumption Phase-out Plan (NCCoPP) for India was approved at the 42nd Meeting of the Executive Committee through decision 42/37. Germany as lead agency, submitted on behalf of India a request for the approval of the 4th tranche at the 53rd Meeting, but subsequently withdrew it when it became clear that certain requirements regarding the verification could not be met in time for the 53rd Meeting.

26. From the initial submission it became apparent that the consumption of India in 2006 was significantly above the maximum allowable consumption. While the verification is not yet complete, the 2006 CFC consumption has been reported under Article 7 of the Protocol. The reported level of consumption is 3,411.8 ODP tonnes, while the maximum allowable consumption under the agreement is 1,560 ODP tonnes. It appears therefore that India has exceeded the maximum allowable consumption under the Agreement by 1,851.8 ODP tonnes.

27. It is worth noting that the consumption reported under Article 7, 3411.8 ODP tonnes, is also 71.3 ODP tonnes higher than India's compliance target under the Montreal Protocol, but, referring to decision XVIII/17 of the Parties, India informed the Ozone Secretariat that it produced 219.76 ODP tonnes in 2006 for future export to meet basic domestic needs of other Parties. The Ozone Secretariat will present this information in an information-only paper to the Implementation Committee. This is a similar case to that of Venezuela described in document UNEP/OzL.Pro/ExCom/51/37.

28. The Secretariat believes that the consumption specified in the Agreement between the Government of India and the Executive Committee is calculated, as specified in the Montreal Protocol, as production + imports – exports. Consequently, the Secretariat believes that India has not complied with the phase-out schedule specified in the Agreement. Remaining issues such as the outstanding verification of certain imports and the question of applicability of stockpiles for export in a future year described in paragraph 27 above will not substantially change the situation.

29. The Agreement specifies that should India, for any reason, exceed the maximum allowable consumption, it will not be entitled to the funding in accordance with the Funding Disbursement Schedule. It is further stipulated that the Executive Committee may reduce the amount of the funding by US \$14,960 per ODP tonne of reductions in consumption. Should the Executive Committee invoke this clause fully, the amount of reduction would be US \$27,702,180, in comparison to the funding approved at the 42nd Meeting in principle for the whole plan of US \$6,338,120, and the total for all outstanding tranches of US \$2,195,940. Again, the outstanding issues mentioned above (verification, applicability of stockpile) will not substantially change this situation.

30. The Government of Germany as lead agency has informed the Secretariat that the Government of India is highly concerned about the increase in stockpiles and has already taken action to ensure that this scenario remains an exceptional case in 2006. In order to address the

high stockpiles, the Government of India has issued an office order dividing the production as well as part of the stockpiles between the refrigeration servicing sector and the MDI sector for the years 2007 up to and including 2010. The Government of India believes that this ensures future compliance with the Agreement while ensuring sufficient supply of CFCs as per the requirements of the MDI sector. This office order, which was submitted to the Secretariat by the Government of Germany, demonstrates that India is under the impression that CFC consumption for MDIs does not fall under the consumption definition in the Agreement related to NCCoPP. The Government of Germany, as the lead agency for NCCoPP, requested the Secretariat to present the issue to the Executive Committee as a policy issue relating to “Definition of consumption under the performance based agreement”.

31. The Executive Committee might also find the following information helpful for a discussion regarding this topic:

- (a) As per the Office Order mentioned, India is likely to continue consuming CFCs at a level higher than the maximum allowable consumption specified in the Agreement with the Executive Committee;
- (b) The Government of Germany informed the Secretariat that the past expenditures and the schedule of implementation would suggest that the Executive Committee might wish to address the issue soon, since the project is not front loaded and the complex and large implementation structure (training units etc.) is dependent on continuous operation to avoid disintegration. The funds available for implementation are expected to reach zero between the 54th and 55th Meeting; and
- (c) The Government of Germany pointed to the potential relevance of decision XVIII/16 of the Meeting of the Parties “Decision XVIII/16: Difficulties faced by some Article 5 Parties manufacturing metered-dose inhalers which use chlorofluorocarbons”.

32. The Executive Committee might wish to consider possible guidance to the Governments of Germany and India on defining consumption under the agreement and related matters, taking into account the definition used under the Montreal Protocol.

Section III. Submissions with proposed amendments to on-going projects

33. The following submissions were received under this section.

| Country | Submission | Implementing Agency/ Organization |
|----------------|--|--|
| Iran | Phase-out of CFCs in metered-dose inhalers (follow-up to decision 52/33) | UNIDO |
| Kenya | Methyl bromide project | Government of Germany, UNDP and UNIDO |

Iran

Phase-out of CFCs in metered-dose inhalers (follow-up to decision 52/33)

Project description

34. On behalf of the Government of the Islamic Republic of Iran, UNIDO submitted the national strategy for the phase-out of CFCs in metered-dose inhalers (MDIs), together with a project proposal for the phase-out of 96.4 ODP tonnes of CFCs used in the manufacture of MDIs, for consideration by the Executive Committee at its 52nd Meeting. At the request of the Government of the Islamic Republic of Iran, the transition strategy would be implemented by UNEP.

35. Through its decision 52/33, the Executive Committee approved the transition strategy and the project for the phase-out of CFC consumption in the manufacture of MDIs in the Islamic Republic of Iran at the amount of US \$3,529,508, plus agency support costs of US \$264,713 for UNIDO, subject to a deduction of US \$465,500 to be applied to the approved funding for the MDI conversion project or to the national phase-out plan (NPP) for Iran, or both, at the country's discretion, in order to eliminate double-counting of funds. UNIDO was requested to report back to the Executive Committee at its 53rd Meeting on the choice made.

36. Through an official communication from the Government of the Islamic Republic of Iran, UNIDO was informed that the Government had agreed "after discussions with the implementing agencies and the relevant Iranian beneficiaries, to apply the third option proposed by the Executive Committee, i.e., to deduct the amount of US \$465,500 from both the amounts of the funds approved for MDI conversion project and the NPP in an equally distributed manner (50 per cent each)."

Secretariat's comments

37. Following a request from the Secretariat, the Government of Germany submitted a revised agreement between the Government of the Islamic Republic of Iran and the Executive Committee to the one approved at the 41st Meeting, reflecting the return of US \$232,750, as follows: US \$27,328 from the UNIDO funding level for 2008 and US \$205,422 from Germany's approved funding level for 2009.

38. The Secretariat also notes that the return of US \$232,750 plus agency support costs of US \$17,456 for UNIDO, from the MDI project that was approved by the Executive Committee at its 52nd Meeting is addressed in the context of the report on balances and availability of resources document (UNEP/OzL.Pro/ExCom/53/4).

Secretariat's recommendation

39. The Executive Committee may wish:

- (a) To note that the return of US \$232,750 plus agency support costs of US \$17,456 for UNIDO, representing 50 per cent of the deduction of US \$465,500 being applied to the project for the phase-out of CFCs used in the manufacture of MDIs

in the Islamic Republic of Iran approved at the 52nd Meeting, is being addressed in the context of the report on balances and availability of resources document (UNEP/OzL.Pro/ExCom/53/4); and

- (b) To approve the following modifications to Appendix 2-A and Appendix 6-B of the national CFC phase-out plan of the Islamic Republic of Iran, reflecting the other 50 per cent of the deduction associated with the MDI conversion project:

Revised Appendix 2-A table

| (US \$) | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|------|------------|
| Lead Agency | | | | | | | | | |
| GTZ annual funding | 694,124 | 946,405 | 479,045 | 1,007,124 | 920,868 | 729,846 | 512,208 | | 5,289,620 |
| Support costs | 76,354 | 104,105 | 52,695 | 110,784 | 101,295 | 80,283 | 56,343 | | 581,859 |
| Total GTZ | 770,478 | 1,050,510 | 531,739 | 1,117,908 | 1,022,163 | 810,129 | 568,551 | | 5,871,479 |
| Cooperating Agencies | | | | | | | | | |
| France annual funding | 1,006,620 | | 500,000 | | | | | | 1,506,620 |
| Support costs | 110,728 | | 55,000 | | | | | | 165,728 |
| Total France | 1,117,348 | | 555,000 | | | | | | 1,672,348 |
| UNEP annual funding | 140,253 | | | | | | | | 140,253 |
| Support costs | 18,233 | | | | | | | | 18,233 |
| Total UNEP | 158,486 | | | | | | | | 158,486 |
| UNIDO annual funding | 361,840 | 2,104,066 | 742,449 | 66,224 | 36,179 | | | | 3,310,757 |
| Support costs | 27,138 | 157,805 | 55,684 | 4,967 | 2,713 | | | | 248,307 |
| Total UNIDO | 388,978 | 2,261,871 | 798,132 | 71,190 | 38,892 | | | | 3,559,064 |
| UNDP annual funding | | 770,000 | | | | | | | 770,000 |
| Support costs | | 57,750 | | | | | | | 57,750 |
| Total UNDP | | 827,750 | | | | | | | 827,750 |
| Overall | | | | | | | | | |
| Total grant requested | 2,202,837 | 3,820,471 | 1,721,493 | 1,073,348 | 957,047 | 729,846 | 512,208 | | 11,017,250 |
| Accumulated Support Costs | 232,453 | 319,660 | 163,379 | 115,750 | 104,009 | 80,283 | 56,343 | | 1,071,876 |
| Total Costs | 2,435,290 | 4,140,131 | 1,884,872 | 1,189,098 | 1,061,056 | 810,129 | 568,551 | | 12,089,127 |

Revised Appendix 6-B table

| Subsector activity | ODP | CE | Subtotal | Total | Coordinating agency |
|---------------------------------------|----------------|-------------|-----------|-------------------|---------------------|
| Refrigeration manufacturing | 56.0 | 13.75 | | 770,000 | UNDP |
| Refrigeration assembly | 135.0 | 6.84 | | 923,245 | UNIDO |
| MAC | 424.4 | 5.00 | | 2,122,000 | |
| Investment/ recovery and recycling | | | 1,506,620 | | FRANCE |
| TA/Training program | | | 615,380 | | GTZ |
| Servicing domestic/commercial units | 475.0 | 5.00 | | 2,347,672 | UNIDO |
| Investment/ recovery and recycling | | | | | |
| Training/incentive component | | | | | |
| (Training of customs officer) | | | | | |
| Foam sector | 608.4 | 6.57 | | 3,997,188 | GTZ |
| Solvent/Aerosol sectors | 9.6 | 4.15 | | 39,840 | UNIDO |
| Subtotal | 1,708.4 | | | 10,199,945 | |
| Project Management and Policy Support | | | | 817,305 | |
| Regulatory and policy support | | | 140,253 | | UNEP |
| Management and monitoring Unit | | | 677,052 | | GTZ |
| Total | 1,708.4 | 6.59 | | 11,017,250 | |

Summary of Agency Shares

| Agency | Sector | Funding |
|---------------|-----------------------------------|-------------------|
| UNDP | Ref. Manufacturing | 770,000 |
| UNIDO | Ref. Servicing/ Assembly/Solvents | 3,310,757 |
| FRANCE | MAC R&R | 1,506,620 |
| UNEP | Regulations | 140,253 |
| GTZ | Foam, MAC Training, Management | 5,289,620 |
| | | 11,017,250 |

- (c) To further note that this revised Agreement supersedes the Agreement reached between the Government of the Islamic Republic of Iran and the Executive Committee at the 41st Meeting.

Kenya

Methyl bromide project

Project description

40. On behalf of the Government of Kenya, the Government of Germany and UNDP have submitted to the 53rd Meeting a progress report on the implementation of the project on technology transfer leading to methyl bromide (MB) phase-out in soil fumigation in Kenya, and a request for the change of implementing agency from UNDP to UNIDO.

Background

41. At its 38th Meeting, the Executive Committee approved in principle US \$1,595,811 to achieve the complete phase-out of MB used for soil fumigation in Kenya. Of this amount, US \$574,492 was allocated to the Government of Germany for the phase-out of MB used in horticulture and US \$1,021,319 was allocated to UNDP for the phase-out of MB used in cut flowers. The total funding that was approved in principle has been disbursed to the agencies in tranches approved at the 38th, 39th, 42nd, 44th and 50th Meetings of the Executive Committee.

Progress report

42. The project works primarily with locally owned small-scale forums to medium and large-scale farms that use MB. Since the approval of the project, several alternative technologies have been introduced and their long-term sustainability is being monitored. Specific training programmes for farmers and major stakeholders continue to take place on farms and at the training facility, where working displays of successful alternatives are showcased. Training manuals have also been produced and distributed. In addition, several non-Kenyan-owned farms, who did not receive direct assistance, were provided information about MB alternatives included in the project and adopted alternative technologies, contributing to MB phase-out in Kenya.

43. In August 2006, the Minister for Environment and Natural Resources signed ODS regulations that control the imports, exports, and other aspects of ODS, including MB. These regulations have been published in the Kenya Gazette Supplement of 31 May 2007. They are

now being implemented and enforced by the Compliance and Enforcement Department in close consultation with the Pest Control Products Board of Kenya and the Ozone Office.

44. As of the end of August 2007:

- (a) A total of 56.7 ODP tonnes of MB had been phased out (32.9 ODP tonnes in the cut flower sector and 23.8 ODP tonnes in the horticulture sector); and
- (b) Of the total funding so far approved (US \$1,595,811) for the implementation of the two project components, US \$510,659 had not been disbursed by UNDP.

Plan of action for 2008

45. The project team's specific activities in 2007-2008 will include training workshops for additional MB users and other relevant parties, and will continue production and dissemination of information. Follow-up technical assistance will also be provided to farms, including monitoring of existing pilot projects and setting up new pilots at the training centre. Agreements will enter into force with farmers to continue implementing appropriate MB alternatives, along with the procurement and installation of farm materials and equipment, and cooperation with major stakeholders will continue.

Request for a change of implementing agency

46. The first tranche of UNDP funds available for the complete phase-out of MB in Kenya was disbursed through UNOPS, on behalf of UNDP. The funding available through the tranches that were approved at the 44th and 50th Meetings, (US \$510,659) was planned to be disbursed by the UNDP country office in Kenya using UNDP's national execution modality. This modification to project implementation has delayed the implementation of the work programmes associated with the last two tranches. In order to expedite the work, the Government of Kenya requested UNDP to present a proposal to the Executive Committee to transfer the project to UNIDO for implementation. The Government of Kenya is also requesting the extension of the phase-out project from 2008 to 2009 in order to complete activities that will ensure the sustainability of MB phase-out. All stakeholders involved at the national level as well as the Government of Germany, UNDP and UNIDO, are in full agreement with this request.

47. UNDP is therefore proposing to return the unspent balance of US \$510,659 to the 53rd Meeting so that, following the transfer, work can continue to be carried by UNIDO. The current project structure will be maintained and the current National Expert and Project Coordinator will also remain.

Secretariat's comments

48. During its review of the project, the Secretariat noted that the 2006 MB consumption of 34.2 ODP tonnes reported by the Government of Kenya under Article 7 of the Montreal Protocol was 139.8 ODP tonnes below the allowable level of consumption of 174.0 ODP tonnes for that year. That consumption is also 28.8 ODP tonnes below the maximum allowable level for that year under the agreement between the Government and the Executive Committee.

49. At the Secretariat's request, the Government of Germany and UNDP provided a satisfactory report on the long-term sustainability of the alternative technologies selected, on the major problems encountered and on how those problems have been addressed. Information was also given on the modalities for the transfer of the remaining funding of the cut-flower project component under UNDP implementation (amounting to US \$510,659) to UNIDO.

Secretariat's recommendations

50. Based on the above comments and observations by the Secretariat, the Executive Committee might wish to:

- (a) Take note of the progress report on the implementation of the project on technology transfer leading to methyl bromide phase-out in soil fumigation in Kenya;
- (b) Approve the request by the Government of Kenya to change UNDP for UNIDO as the implementing agency responsible for the completion of the phase-out of methyl bromide in the cut-flower sector; and
- (c) Approve the agreed revised conditions for phase-out of methyl bromide in Kenya as contained in Appendix I to this project.

Appendix I

AGREED REVISED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE IN KENYA (DRAFT)

1. The Executive Committee agrees:
 - (a) At its 38th Meeting, to approve in principle US \$1,595,811 (of which US \$574,492 is to be allocated to the Government of Germany and US \$1,021,319 is to be allocated to UNDP) as the total funds that will be available to Kenya to achieve the complete phase out of 97 ODP tonnes of methyl bromide (MB) used for soil fumigation in the cut flower sector (63 ODP tonnes), vegetables, fruit, seedbeds and nurseries (34 ODP tonnes); and
 - (b) At its 53rd Meeting, to approve the request by the Government of Kenya to transfer responsibility for implementation of all remaining activities associated with the completion of the phase-out of methyl bromide in the cut-flower sector from UNDP to UNIDO.

2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the MB baseline for compliance for Kenya is 202 ODP tonnes, and MB consumption in 2001 was 111 ODP tonnes, excluding 21 ODP tonnes which Kenya states that it uses for quarantine and pre-shipment applications.

3. Reductions resulting from the implementation of the project will ensure that Kenya will meet the reduction schedule listed below. In this regard, Kenya commits, through the implementation of the project, to reduce total national consumption of controlled uses of MB to no more than the following levels of consumption in the years listed below:

| Year | Methyl bromide to be phased out per year (ODP tonnes) | | | Maximum levels of MB consumption excluding QPS (ODP tonnes)(b) |
|------|---|------------------------|----------|--|
| | Cut flowers (UNDP/UNIDO) | Horticulture (Germany) | Total(a) | |
| 2001 | - | - | - | 111 |
| 2004 | 10 | 5 | 15(a) | 96 |
| 2006 | 21 | 12 | 33 | 63 |
| 2008 | 22 | 12 | 34 | 29 |
| 2009 | 10 | 5 | 15 | 14 |
| 2010 | 0 | 0 | 0 | 14 (b, c) |

- (a) The project will aim to achieve faster reductions if feasible. The Government of Kenya may choose to speed up the MB reduction schedule if it wishes, without penalty to the project budget.
- (b) Excluding MB imports for quarantine and pre-shipment uses
- (c) For non-soil uses such as stored grain, structures

4. The project will phase out all soil uses of MB in Kenya. Kenya commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.

5. Funding for the project will be disbursed by the Government of Germany, UNDP and UNIDO in line with the following yearly budget breakdown:

| Year | Germany | UNDP | UNIDO | Total |
|--------------|----------------|----------------|----------------|------------------|
| 2002 | 0 | 510,660 | | 510,660 |
| 2003 | 287,247 | | | 287,247 |
| 2004 | 172,347 | | | 172,347 |
| 2005 | | | | |
| 2006 | 114,898 | | | 114,898 |
| 2007 | | | 510,659* | 510,659 |
| Total | 574,491 | 510,660 | 510,659 | 1,595,811 |

* Transferred from UNDP to UNIDO at the 53rd Meeting.

6. The Government of Kenya has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional MB consumption be identified in soil fumigation at a later date, the responsibility to ensure its phase-out will lie solely with the Government. The remaining consumption of 14 ODP tonnes, noted in the schedule above, is used for stored products, artefacts and structures. This remaining consumption will be addressed through a separate, future phase-out project.

7. The Government of Kenya, in agreement with the Government of Germany, UNDP and UNIDO, will have flexibility in organising and implementing the project components it deems more important in order to meet the MB phase-out commitments noted above. The Government of Germany, UNDP and UNIDO agree to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon. The Government of Germany, UNDP and UNIDO shall also report back to the Executive Committee annually on progress made in meeting the reductions required by the project.

8. The present Agreed Conditions between the Government of Kenya and the Executive Committee have been updated as a result of the change in implementing agency as indicated in paragraph 1 (b) above, without impact on the project signed by the Permanent Secretaries of the Ministry of Agriculture and the Ministry of Environment, Natural Resources and Wildlife at project inception.

List of projects and activities recommended for blanket approval

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|--------------------|------------------|--------------------|
| | | | Project | Support | Total | |
| AFGHANISTAN | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase III) | UNEP | | \$150,000 | \$0 | \$150,000 | |
| Total for Afghanistan | | | \$150,000 | | \$150,000 | |
| ALGERIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| National phase-out plan (first tranche) | UNIDO | 60.5 | \$723,500 | \$54,263 | \$777,763 | |
| <i>Approved in accordance with the Agreement between the Government and the Executive Committee. UNIDO was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i> | | | | | | |
| Total for Algeria | | | 60.5 | \$723,500 | \$54,263 | \$777,763 |
| ARGENTINA | | | | | | |
| PRODUCTION | | | | | | |
| CFC closure | | | | | | |
| Strategy for gradual phase-out of CFC-11 and CFC-12 production: 2007 annual programme | IBRD | | \$0 | \$120,000 | \$120,000 | |
| <i>The Executive Committee took note of the verification report of the 2006 CFC production at FIASA.</i> | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan: 2008 work programme | UNIDO | 1,509.5 | \$1,167,350 | \$87,551 | \$1,254,901 | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension for institutional strengthening project (phase V) | UNDP | | \$311,567 | \$23,368 | \$334,935 | |
| Total for Argentina | | | 1,509.5 | \$1,478,917 | \$230,919 | \$1,709,836 |
| ARMENIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Preparation for a terminal phase-out management plan | UNDP | | \$12,000 | \$900 | \$12,900 | |
| Preparation for a terminal phase-out management plan | UNEP | | \$18,000 | \$2,340 | \$20,340 | |
| Total for Armenia | | | \$30,000 | \$3,240 | \$33,240 | |
| BAHRAIN | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase V) | UNEP | | \$60,000 | \$0 | \$60,000 | |
| Total for Bahrain | | | \$60,000 | | \$60,000 | |

List of projects and activities recommended for blanket approval

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | Total |
| BANGLADESH | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of the institutional strengthening project (phase V) | UNDP | | \$130,000 | \$9,750 | \$139,750 |
| Total for Bangladesh | | | \$130,000 | \$9,750 | \$139,750 |
| BELIZE | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (first tranche) | UNDP | | \$122,000 | \$10,980 | \$132,980 |
| <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> | | | | | |
| Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (first tranche) | UNEP | | \$53,000 | \$6,890 | \$59,890 |
| <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> | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of institutional strengthening project (phase IV) | UNEP | | \$76,700 | \$0 | \$76,700 |
| Total for Belize | | | \$251,700 | \$17,870 | \$269,570 |
| BHUTAN | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase II) | UNEP | | \$60,000 | \$0 | \$60,000 |
| Total for Bhutan | | | \$60,000 | | \$60,000 |
| BOLIVIA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase VI) | UNEP | | \$78,867 | \$0 | \$78,867 |
| Total for Bolivia | | | \$78,867 | | \$78,867 |
| BOTSWANA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase III) | UNEP | | \$78,173 | \$0 | \$78,173 |
| Total for Botswana | | | \$78,173 | | \$78,173 |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| BRAZIL | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (sixth tranche) | UNDP | 576.0 | \$870,000 | \$63,500 | \$933,500 | |
| <i>UNDP was requested to report upon submission of the seventh tranche on progress with extending the quota system to all ODS; and not to submit the eighth tranche prior to an extension of the quota system to all CFC.</i> | | | | | | |
| Total for Brazil | | 576.0 | \$870,000 | \$63,500 | \$933,500 | |
| CAMBODIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Terminal phase-out management plan for the phase-out of CFCs (first tranche) | UNDP | 3.5 | \$195,000 | \$14,625 | \$209,625 | |
| <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> | | | | | | |
| Terminal phase-out management plan for the phase-out of CFCs (first tranche) | UNEP | | \$120,000 | \$15,600 | \$135,600 | |
| <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> | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase IV) | UNEP | | \$112,667 | \$0 | \$112,667 | |
| Total for Cambodia | | 3.5 | \$427,667 | \$30,225 | \$457,892 | |
| CAMEROON | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase VI) | UNEP | | \$139,532 | \$0 | \$139,532 | |
| Total for Cameroon | | | \$139,532 | | \$139,532 | |
| CHAD | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Terminal phase-out management plan (first tranche) | UNDP | | \$92,000 | \$8,280 | \$100,280 | |
| <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> | | | | | | |
| Terminal phase-out management plan (first tranche) | UNEP | | \$94,000 | \$12,220 | \$106,220 | |
| <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> | | | | | | |
| Total for Chad | | | \$186,000 | \$20,500 | \$206,500 | |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | | C.E. (US\$/kg) |
|---|--------------------------------|-----------------|--------------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| CHINA | | | | | | |
| FOAM | | | | | | |
| Sectoral phase out plan | | | | | | |
| Sector plan for phase-out of CFC-11 in the China foam sector: 2007 annual programme | IBRD | 551.0 | \$2,676,000 | \$240,840 | \$2,916,840 | |
| Sector plan for phase-out of CFC-11 in the China foam sector: 2008 annual programme | IBRD | | \$1,767,000 | \$159,030 | \$1,926,030 | |
| HALON | | | | | | |
| Sectoral phase out plan | | | | | | |
| Sector plan for halon phase-out in China: 2008 annual programme | IBRD | | \$300,000 | \$22,500 | \$322,500 | |
| <i>China and the World Bank were requested to continue to report on the use of remaining unused funds until they are expended. China was also requested to remove condition (g) of decision 23/22 requiring China to endeavour to prevent exports to developed countries of recovered/reclaimed halon in the light of the UNEP study on challenges associated with halon banking in developing countries, approved in decision 52/27.</i> | | | | | | |
| REFRIGERATION | | | | | | |
| Sectoral phase out plan | | | | | | |
| Refrigeration servicing sector CFC phase-out plan (fourth tranche) | UNIDO | 793.0 | \$700,000 | \$52,500 | \$752,500 | |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| ODS phase-out in China solvent sector: 2008 annual programme | UNDP | 85.0 | \$1,480,000 | \$111,000 | \$1,591,000 | |
| | Total for China | 1,429.0 | \$6,923,000 | \$585,870 | \$7,508,870 | |
| COOK ISLANDS | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of the institutional strengthening project (phase II, UNEP first year) | | | \$15,000 | \$0 | \$15,000 | |
| | Total for Cook Islands | | \$15,000 | | \$15,000 | |
| COSTA RICA | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase VII) | UNDP | | \$140,513 | \$10,538 | \$151,051 | |
| | Total for Costa Rica | | \$140,513 | \$10,538 | \$151,051 | |
| COTE D'IVOIRE | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of the institutional strengthening project (phase IV) | UNEP | | \$106,340 | \$0 | \$106,340 | |
| | Total for Cote D'Ivoire | | \$106,340 | | \$106,340 | |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|------------------------------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | |
| CUBA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase VI) | UNDP | | \$149,066 | \$11,180 | \$160,246 |
| | Total for Cuba | | \$149,066 | \$11,180 | \$160,246 |
| EL SALVADOR | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for Annex A Group I substances (first tranche) | UNEP | | \$20,000 | \$2,600 | \$22,600 |
| <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> | | | | | |
| Terminal phase-out management plan for Annex A Group I substances (first tranche) | UNDP | 16.0 | \$230,000 | \$17,250 | \$247,250 |
| <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> | | | | | |
| | Total for El Salvador | 16.0 | \$250,000 | \$19,850 | \$269,850 |
| GAMBIA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNDP | | \$99,500 | \$8,955 | \$108,455 |
| <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> | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNEP | | \$93,000 | \$12,090 | \$105,090 |
| <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> | | | | | |
| | Total for Gambia | | \$192,500 | \$21,045 | \$213,545 |
| GEORGIA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan (second tranche) | UNDP | 3.4 | \$108,820 | \$8,162 | \$116,982 |
| | Total for Georgia | 3.4 | \$108,820 | \$8,162 | \$116,982 |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | Total |
| GHANA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan (second tranche) | UNDP | 12.2 | \$140,500 | \$10,538 | \$151,038 |
| Total for Ghana | | 12.2 | \$140,500 | \$10,538 | \$151,038 |
| GUYANA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (first tranche) | UNDP | | \$124,000 | \$11,160 | \$135,160 |
| <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> | | | | | |
| Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (first tranche) | UNEP | | \$58,000 | \$7,540 | \$65,540 |
| <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> | | | | | |
| Total for Guyana | | | \$182,000 | \$18,700 | \$200,700 |
| HONDURAS | | | | | |
| FUMIGANT | | | | | |
| Methyl bromide | | | | | |
| National methyl bromide phase-out plan, phase II (second tranche) | UNIDO | 47.5 | \$800,000 | \$60,000 | \$860,000 |
| Total for Honduras | | 47.5 | \$800,000 | \$60,000 | \$860,000 |
| INDONESIA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase VI) | UNDP | | \$271,245 | \$20,343 | \$291,588 |
| Total for Indonesia | | | \$271,245 | \$20,343 | \$291,588 |
| IRAN | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase VI, second year) | UNDP | | \$86,756 | \$6,507 | \$93,263 |
| Total for Iran | | | \$86,756 | \$6,507 | \$93,263 |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|-----------------------------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | |
| KIRIBATI | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of institutional strengthening project (phase II, second year) | UNEP | | \$30,000 | \$0 | \$30,000 |
| | Total for Kiribati | | \$30,000 | | \$30,000 |
| KOREA, DPR | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase V) | UNEP | | \$130,000 | \$0 | \$130,000 |
| | Total for Korea, DPR | | \$130,000 | | \$130,000 |
| KUWAIT | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase III) | UNEP | | \$105,320 | \$0 | \$105,320 |
| | Total for Kuwait | | \$105,320 | | \$105,320 |
| LEBANON | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| National phase-out management plan for Annex-A Group-I substances (CFCs) (fourth tranche) | UNDP | 40.0 | \$100,000 | \$7,500 | \$107,500 |
| | Total for Lebanon | 40.0 | \$100,000 | \$7,500 | \$107,500 |
| LESOTHO | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase IV) | UNEP | | \$60,000 | \$0 | \$60,000 |
| | Total for Lesotho | | \$60,000 | | \$60,000 |
| LIBERIA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNDP | | \$104,000 | \$9,360 | \$113,360 |
| <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> | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNEP | | \$131,500 | \$17,095 | \$148,595 |
| <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> | | | | | |
| | Total for Liberia | | \$235,500 | \$26,455 | \$261,955 |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| MACEDONIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Terminal phase-out management plan for CFCs (third tranche) | UNIDO | 5.0 | \$15,000 | \$1,125 | \$16,125 | |
| Total for Macedonia | | 5.0 | \$15,000 | \$1,125 | \$16,125 | |
| MALAWI | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNDP | | \$125,500 | \$11,295 | \$136,795 | |
| <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> | | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNEP | | \$95,000 | \$12,350 | \$107,350 | |
| <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> | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase VI) | UNEP | | \$66,733 | \$0 | \$66,733 | |
| Total for Malawi | | | \$287,233 | \$23,645 | \$310,878 | |
| MALAYSIA | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase VII) | UNDP | 23.1 | \$279,500 | \$20,963 | \$300,463 | |
| Total for Malaysia | | 23.1 | \$279,500 | \$20,963 | \$300,463 | |
| MALI | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNDP | | \$172,000 | \$12,900 | \$184,900 | |
| <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> | | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNEP | | \$120,000 | \$15,600 | \$135,600 | |
| <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> | | | | | | |
| Total for Mali | | | \$292,000 | \$28,500 | \$320,500 | |

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| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | |
| MARSHALL ISLANDS | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase II, UNEP second year) | | | \$30,000 | \$0 | \$30,000 |
| Total for Marshall Islands | | | \$30,000 | | \$30,000 |
| MAURITANIA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNEP | | \$96,000 | \$12,480 | \$108,480 |
| <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> | | | | | |
| Terminal phase-out management plan for CFCs (first tranche) | UNDP | | \$85,000 | \$7,650 | \$92,650 |
| <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> | | | | | |
| Total for Mauritania | | | \$181,000 | \$20,130 | \$201,130 |
| MAURITIUS | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase III) | UNEP | | \$60,000 | \$0 | \$60,000 |
| Total for Mauritius | | | \$60,000 | | \$60,000 |
| MONGOLIA | | | | | |
| PHASE-OUT PLAN | | | | | |
| ODS phase out plan | | | | | |
| Terminal phase-out management plan (second tranche) | Japan | | \$55,000 | \$7,150 | \$62,150 |
| Total for Mongolia | | | \$55,000 | \$7,150 | \$62,150 |
| MONTENEGRO | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out plan for CFCs (first tranche) | UNIDO | 3.0 | \$175,000 | \$13,125 | \$188,125 |
| <i>Approved in accordance with the Agreement between the Government and the Executive Committee. UNIDO was urged to take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the TPMP.</i> | | | | | |
| Total for Montenegro | | 3.0 | \$175,000 | \$13,125 | \$188,125 |

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Annex I

| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|---|---------------------------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | |
| MOROCCO | | | | | |
| FUMIGANT | | | | | |
| Methyl bromide | | | | | |
| Phase-out of methyl bromide used for soil fumigation in tomato production (fifth tranche) | UNIDO | 78.0 | \$424,381 | \$31,829 | \$456,210 |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of the institutional strengthening project (phase III) | UNEP | | \$156,000 | \$0 | \$156,000 |
| | Total for Morocco | 78.0 | \$580,381 | \$31,829 | \$612,210 |
| NAMIBIA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase V) | UNEP | | \$60,000 | \$0 | \$60,000 |
| | Total for Namibia | | \$60,000 | | \$60,000 |
| NAURU | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase II, first year) | UNEP | | \$15,000 | \$0 | \$15,000 |
| | Total for Nauru | | \$15,000 | | \$15,000 |
| NIGER | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase VI) | UNEP | | \$64,827 | \$0 | \$64,827 |
| | Total for Niger | | \$64,827 | | \$64,827 |
| NIUE | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of the institutional strengthening project (phase II) | UNEP | | \$60,000 | \$0 | \$60,000 |
| | Total for Niue | | \$60,000 | | \$60,000 |
| PAKISTAN | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase IV, second year) | UNDP | | \$112,234 | \$8,418 | \$120,652 |
| | Total for Pakistan | | \$112,234 | \$8,418 | \$120,652 |

List of projects and activities recommended for blanket approval

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Annex I

| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|--|-------------------------------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | |
| PALAU | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of institutional strengthening project (phase II, second year) | UNEP | | \$30,000 | \$0 | \$30,000 |
| | Total for Palau | | \$30,000 | | \$30,000 |
| PARAGUAY | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase IV) | UNEP | | \$60,000 | \$0 | \$60,000 |
| | Total for Paraguay | | \$60,000 | | \$60,000 |
| QATAR | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| 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> | UNEP | | \$65,000 | \$8,450 | \$73,450 |
| 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> | UNIDO | 3.0 | \$242,500 | \$18,188 | \$260,688 |
| | Total for Qatar | 3.0 | \$307,500 | \$26,638 | \$334,138 |
| RWANDA | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Terminal phase-out management plan for CFCs (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 | | \$124,500 | \$11,205 | \$135,705 |
| Terminal phase-out management plan for CFCs (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> | UNEP | | \$110,000 | \$14,300 | \$124,300 |
| | Total for Rwanda | | \$234,500 | \$25,505 | \$260,005 |
| SAUDI ARABIA | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Institutional strengthening (establishment of Ozone Unit) | UNEP | | \$300,000 | \$0 | \$300,000 |
| | Total for Saudi Arabia | | \$300,000 | | \$300,000 |

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/53/15
Annex I

| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | C.E. (US\$/kg) |
|--|--------|-----------------|--------------------------|-----------------|-------------------|
| | | | Project | Support | Total |
| SENEGAL | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase VII) | UNEP | | \$152,100 | \$0 | \$152,100 |
| Total for Senegal | | | \$152,100 | | \$152,100 |
| SEYCHELLES | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase IV) | UNEP | | \$60,000 | \$0 | \$60,000 |
| Total for Seychelles | | | \$60,000 | | \$60,000 |
| SOLOMON ISLANDS | | | | | |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Renewal of institutional strengthening project (phase II, second year) | UNEP | | \$30,000 | \$0 | \$30,000 |
| Total for Solomon Islands | | | \$30,000 | | \$30,000 |
| SUDAN | | | | | |
| PHASE-OUT PLAN | | | | | |
| ODS phase out plan | | | | | |
| National CFC/CTC phase-out plan (third tranche) | UNIDO | 65.0 | \$220,000 | \$16,500 | \$236,500 |
| Total for Sudan | | | \$220,000 | \$16,500 | \$236,500 |
| SWAZILAND | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| Preparation for a terminal phase-out management plan | UNDP | | \$15,000 | \$1,125 | \$16,125 |
| Preparation for a terminal phase-out management plan | UNEP | | \$15,000 | \$1,950 | \$16,950 |
| SEVERAL | | | | | |
| Ozone unit support | | | | | |
| Extension of institutional strengthening project (phase III) | UNEP | | \$60,000 | \$0 | \$60,000 |
| Total for Swaziland | | | \$90,000 | \$3,075 | \$93,075 |
| THAILAND | | | | | |
| PHASE-OUT PLAN | | | | | |
| CFC phase out plan | | | | | |
| National CFC phase-out plan: 2007 annual implementation plan | IBRD | 209.0 | \$550,000 | \$49,500 | \$599,500 |
| <i>The Executive Committee took note, with appreciation, of the verification audit of the imports of CFC, TCA and CTC in Thailand for the year 2005.</i> | | | | | |
| Total for Thailand | | | \$550,000 | \$49,500 | \$599,500 |

List of projects and activities recommended for blanket approval

UNEP/OzL.Pro/ExCom/53/15
Annex I

| Project Title | Agency | ODP (tonnes) | Funds recommended (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|--------------------------|--------------------|---------------------|-------------------|
| | | | Project | Support | Total | |
| TURKEY | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Total phase-out of CFCs plan: Implementation status of 2007AP and verification report for CFC consumption for 2007 | IBRD | | \$0 | \$30,000 | \$30,000 | |
| Total for Turkey | | | | \$30,000 | \$30,000 | |
| WESTERN SAMOA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| 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 | | \$45,000 | \$4,050 | \$49,050 | |
| 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> | UNEP | | \$55,000 | \$7,150 | \$62,150 | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of institutional strengthening project (phase IV) | UNEP | | \$60,000 | \$0 | \$60,000 | |
| Total for Western Samoa | | | \$160,000 | \$11,200 | \$171,200 | |
| YEMEN | | | | | | |
| SEVERAL | | | | | | |
| Ozone unit support | | | | | | |
| Extension of the institutional strengthening project (phase V) | UNEP | | \$170,000 | \$0 | \$170,000 | |
| Total for Yemen | | | \$170,000 | | \$170,000 | |
| GRAND TOTAL | | 4,083.6 | \$19,322,191 | \$1,554,258 | \$20,876,449 | |

Annex II**LIST OF PROJECTS FOR INDIVIDUAL CONSIDERATION**

| Country | Project | Agency | Issue |
|----------------------------|--|---------------|---|
| Aerosol sector | | | |
| China | Sector plan for the phase-out of CFC consumption in MDI sector | UNIDO | Disagreement on cost but project needed to complete CFC phase-out |
| Mexico | Phase-out of CFC consumption in the manufacture of aerosol MDIs | UNIDO | No CFC eligible consumption quota reserved for MDI |
| CFC phase-out plans | | | |
| Cuba | National ODS phase-out plan for CFCs: 2006 and 2007 annual implementation plan | UNDP | Correction to an error in the Agreement |
| Djibouti | Terminal phase-out management plan for CFCs (first tranche) | UNEP, UNDP | Cost and other issues under discussion |
| Maldives | Terminal phase-out management plan (first tranche) | UNEP, UNDP | Cost and other issues under discussion |
| Saudi Arabia | Capacity building and technical assistance | UNEP, UNIDO | Possibility of non-compliance in 2007 |
| Togo | Terminal phase-out management plan for CFCs (first tranche) | UNEP, UNDP | Cost and other issues under discussion |
| Zambia | Terminal phase-out management plan for CFCs (first tranche) | UNEP, UNDP | Cost and other issues under discussion |
| Process agent | | | |
| Brazil | Phase-out of CTC as process agent in two applications at Braskem | UNDP | Cost and other issues under discussion |
| China | Phase-out the production of CTC for process agent and other non-identified uses (phase I): 2008 annual programme | | Delayed disbursement until 54 th Meeting when verification is ready |
| China | Phase-out the production and consumption of CTC for process agent and other non-identified uses (phase II) | | Delayed disbursement until 55 th Meeting when verification is ready. China's request to amend the ceiling from 14,300 ODP tonnes to 6,600 ODP tonnes |
| Production sector | | | |
| Argentina | Accelerated phase-out plan for CFC production | IBRD | Acceleration under intersessional approval |
| China | Sector plan for CFC production phase-out: 2008 annual programme | IBRD | 2008 tranche to be released at 54 th Meeting |
| Romania | Sector plan for production sector (fourth tranche) | UNIDO | Advance for 2008 tranche questionable for not completing 2007 work plan |