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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-fourth Meeting
Montreal, 7-11 April 2008

PROVISIONAL ANNOTATED AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organizational matters

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/54/1/Rev.1 contains the Provisional Agenda for the 54th Meeting of the Executive Committee.

Action expected from the Executive Committee: the Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/54/1/Rev.1 and as amended verbally at the plenary.

(b) Organization of work

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

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

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

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/54/2 presents a report on the activities of the Secretariat since the 53rd Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 53rd Meeting, the preparations for the 54th Meeting, as well as information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this reporting period. It also covers communications received from other MEA Secretariats, such as the request from the Executive Secretary of the Rotterdam Convention Secretariat.

Issues to be addressed:

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

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/54/3 provides information on the status of the Fund as at 7 March 2008 as recorded by the Treasurer. At that date, the Fund's balance stood at US 84,352,512 after taking into account all the funds approved by the Executive Committee up to and including the 53rd Meeting

Issues to be addressed: None

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

- (a) Note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in UNEP/OzL.Pro/ExCom/54/3 and
- (b) Urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible, considering that this is the last year of the current replenishment period.

5. Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/54/4 contains the submissions of the implementing and bilateral agencies on completed projects with balances and the return of funds from cancelled projects.

Issues to be addressed: None

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

- (a) Note the report on balances and availability of resources contained in UNEP/OzL.Pro/ExCom/54/4;
- (b) Note the net level of funds being returned by the multilateral implementing agencies to the 54th Meeting amounting to US \$398,760 against project balances. This includes the return of US \$413 from UNDP, US \$279,684 from UNEP, US \$57,168 from UNIDO and US \$61,495 from the World Bank;
- (c) Note the net level of support costs being returned by the multilateral implementing agencies to the 54th Meeting amounting to US \$40,746 against project support cost balances. This includes the return of US \$45 from UNDP, US \$31,278 from UNEP, US \$5,427 from UNIDO and US \$3,996 from the World Bank;
- (d) Note that multilateral implementing agencies had balances totalling US \$11,023,102 excluding support costs from projects completed over two years ago. This includes US \$387,718 from UNDP, US \$1,041,526 from UNEP, US \$662,682 from UNIDO, and US \$8,931,176 from the World Bank;
- (e) Note that US \$93,400 should be deducted from the bilateral contributions of Australia as a result of funds being returned from the halon management and banking programme in India; and
- (f) Note that US \$84,885,418 (to be updated at the meeting) was available to the Executive Committee for approvals at the 54th Meeting.

6. Status on implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol

Document UNEP/OzL.Pro/ExCom/54/5 contains five parts and six annexes. The present document was revised in accordance with decision 53/4 to include data on project implementation delays and an assessment of risks of non-compliance. Part I has been prepared in response to decisions 32/76(b) and 46/4, and focuses on 2006 data that had not been reported in the report to the 53rd Meeting. Part II contains information on countries with compliance decisions. Part III is a review of country programme data. Part IV is a new section that presents an assessment of the risk of non-compliance including information previously presented in the document on projects with implementation delays.

Issues to be addressed:

- Standard decisions on projects with implementation delays that have been completed, experienced progress, some progress and no progress;
- Milestones and deadlines for the project that the national phase-out plan preparation in Somalia that has experienced no progress to two consecutive meetings;
- Cancellation by mutual agreement of projects in Cote d'Ivoire;
- The need for including information on prices for all ODS including HCFCs and their alternatives in country programme data reports; and
- The risk assessment analysis and associated decisions.

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

(a) Note:

- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Canada, France, Germany, Japan, Spain, and the four implementing agencies, and the 2006 progress report from the Government of the United States of America addressed in UNEP/OzL.Pro/ExCom/54/5;
- (ii) The completion of 13 of the 41 projects listed with implementation delays;
- (iii) That letters of possible cancellation should be sent in respect of the following projects:

Agency	Code	Project Title
UNIDO	IRA/FOA/28/INV/50	Phasing out ODS in manufacturing of flexible PU slabstock foam through the use of liquid CO ₂ blowing technology at Bahman Plastic Co.
UNIDO	IRA/FOA/37/INV/149	Phasing out of ODS in the manufacture of flexible slabstock foam through the use of LCD blowing technology at Esfanj Shirvan Co.

(b) Request milestones and deadlines to be reported at the 54th Meeting for the following projects:

Agency	Code	Project Title
UNEP	SOM/SEV/35/TAS/01	Formulation of national phase out strategy
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.

(c) Note the cancellation of the following projects by mutual agreement:

Agency	Code	Project Title
France	IVC/REF/24/TAS/10	Implementation of the RMP
France	IVC/REF/37/TAS/16	Implementation of the refrigerant management plan: monitoring the activities of the RMP and set up of an import/export licensing system

- (d) Request the Government of Finland to submit its progress report to the 54th Meeting;
- (e) Request that information on prices of all ODSs, including HCFCs, and their alternatives should be included in country programme data reports;
- (f) Note, with appreciation, that 42 countries indicated their confidence in complying with the control measures of the Montreal Protocol after having reviewed the risk assessment; and
- (g) Request the Fund Secretariat to send letters to countries that may be at risk based on the analysis with respect to one or more of the general indicators, with the exception of those countries that have indicated their confidence in achieving

compliance. Countries which receive letters should be encouraged to take into account the results of the risk assessment in their planning efforts with respect to achieving compliance.

7. 2008-2010 business plans

(a) Consolidated business plan of the Multilateral Fund and consideration of the updated model rolling three-year phase-out plan for 2008-2010

Document UNEP/OzL.Pro/ExCom/54/6 is a consolidation of the implementing and bilateral agencies' 2008-2010 business plans. The document discusses *inter alia* the extent to which the business plans address the needs identified in the compliance oriented model/three-year ODS phase-out plan for 2008-2010 updated after the 53rd Meeting. It also addresses resource allocation for the 2006-2008 triennium according to those activities required by the model, as well as planned activities, and compliance and performance indicators and concludes with observations and recommendations.

Issues to be addressed:

- The inclusion of HCFC consumption assessments in future versions of the compliance oriented model as required for compliance;
- The need to reflect tonnage for HCFC activities based on the definition of consumption;
- The need for guidelines for ODS disposal including how to measure their impact; and
- MDI activities not required for compliance.

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

- (a) Note the Consolidated 2008-2010 Business Plan of the Multilateral Fund as contained in UNEP/OzL.Pro/ExCom/54/6;
- (b) Request the Secretariat to include an HCFC analysis in future versions of the compliance oriented model/three year phase-out plan;
- (c) Request implementing agencies to include tonnages for all HCFC activities, excluding preparatory projects based on current practices or any modifications subsequently approved by the Executive Committee;
- (d) Consider the extent to which ODS disposal activities might be included in the business plans in the absence of guidelines and the need for an assessment of the quantitative impact of the ODS addressed by such activities;
- (e) Consider whether to maintain MDI activities not required for compliance in the business plans for review on a case-by-case basis; and
- (f) Urge bilateral and multilateral implementing agencies to continue their efforts to implement approved projects to ensure the expected phase-out of 28,201 ODP tonnes in 2008.

(b) Business plans of the implementing agencies:

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/54/7 presents the business plans for bilateral agencies for the years 2008-2010. The Governments of Canada, France, Germany, Italy and Japan provided information on their planned bilateral activities and information from already approved multi-year agreements (MYAs) is also included in this document.

Issues to be addressed:

- Activities for combating illegal trade in Canada's business plan;
- HCFC activities in Germany's and Japan's business plans;
- Over-programming in Germany's business plan;
- MDI activities not required for compliance in Italy's business plan; and
- Flexibility of assignment of Switzerland's contributions to enable approval of an approved annual tranche of an MYA.

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

- (a) Noting with appreciation the 2008-2010 business plans on bilateral cooperation, without prejudice to the Parties' discussions on replenishment following the 2007-2009 triennium, submitted by: Canada, France, Germany, Italy and Japan as addressed in UNEP/OzL.Pro/ExCom/54/7 and taking into account any modifications based on consideration of the following activities:
- (i) Combating illegal trade (second year funding) in Canada's business plan;
 - (ii) HCFC activities in Germany's and Japan's business plan;
 - (iii) Over-programming in Germany's business plan;
 - (iv) MDI activities in India in Italy's business plan; and
- (b) Allowing Switzerland's request for funding to be considered as its work plan so that it might use up to 20 per cent of its pledges for the 2006-2008 triennium for bilateral cooperation.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/54/8 contains a summary of, and the comments and recommendations of the Fund Secretariat on UNDP's 2008-2010 business plan.

Issues to be addressed:

- HCFC activities;
- MDI activities;
- ODS disposal activities;
- Additional funds for UNDP's core unit;
- Areas of possible overlap; and
- Performance indicators.

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

- (a) Endorsing the 2008-2010 business plan of UNDP as contained in UNEP/OzL.Pro/ExCom/54/8, without prejudice to the Parties' decision on replenishment for the year 2009 and beyond, while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) HCFC activities;
 - (ii) Metered-dose inhaler activities;
 - (iii) ODS disposal activities;
 - (iv) Additional funds for UNDP's core unit to cover HCFC activities in advance of the outcome of the Executive Committee's consideration of the "Assessment of administrative costs required for the 2009-2011 triennium";
- (b) Requesting the UNDP to report to the 54th Meeting on the areas of possible overlap with activities other agencies' business plans and note the information provided as appropriate; and
- (c) Approving the performance indicators for UNDP set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/54/8 while setting a target of 39 for the number of annual programmes of approved multi-year agreements (MYAs), a target of 27 for the milestone activities completed for MYAs, and 1,888 ODP tonnes for phase-out.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/54/9 contains a summary of, and the comments and recommendations of the Fund Secretariat on UNEP's 2008-2010 business plan.

Issues to be addressed:

- Establishment of an East Caribbean regional refrigeration association network;
- TPMP activities in Turkmenistan in the light of decision 46/21;
- HCFC activities;
- Assessment on practices adopted for environmentally sound management of unwanted ODS and obsolete ODS-based refrigeration and air-conditioning equipment in the light of the study already funded by the Multilateral Fund;
- Research and development activity in national institutions to be selected by UNEP;
- Global project on sustainable agriculture for preventing of new uses of methyl bromide;
- Regional public awareness of methyl bromide alternatives in the Asia and Pacific region;
- Regional workshop on strengthening monitoring and reporting systems on methyl bromide use;
- Regional workshop in Africa to prevent new uses of methyl bromide;
- Additional MDI activities in Sri Lanka;
- Additional funds to cover the post-adjustment allowance of CAP in the context of the results of the Executive Committee's consideration of the "Assessment of administrative costs required for the 2009-2011 triennium";
- Possible overlaps; and
- Performance indicators.

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

- (a) Endorsing the 2008-2010 business plan of UNEP as contained in UNEP/OzL.Pro/ExCom/54/9 without prejudice to the Parties decision on replenishment for the year 2010 and beyond, while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) Establishment of an East Caribbean regional refrigeration association network;
 - (ii) TPMP activities in Turkmenistan in the light of decision 46/21;

- (iii) HCFC activities;
 - (iv) Assessment on practices adopted for environmentally sound management of unwanted ODS and obsolete ODS-based refrigeration and air-conditioning equipment in the light of the study already funded by the Multilateral Fund;
 - (v) Research and development activity in national institutions to be selected by UNEP;
 - (vi) Global project on sustainable agriculture for preventing of new uses of methyl bromide;
 - (vii) Regional public awareness of methyl bromide alternatives in the Asia and Pacific region;
 - (viii) Regional workshop on strengthening monitoring and reporting systems on methyl bromide use;
 - (ix) Regional workshop in Africa to prevent new uses of methyl bromide;
 - (x) Additional MDI activities in Sri Lanka;
 - (xi) Additional funds to cover the post-adjustment allowance of CAP in the context of the results of the Executive Committee's consideration of the "Assessment of administrative costs required for the 2009-2011 triennium";
- (b) Requesting UNEP to report to the 54th Meeting on the areas of possible overlap with activities other agencies' business plans and note the information provided as appropriate; and
- (c) Approving the 2008 performance indicators and targets for UNEP set out in Tables 2 and 3 in the Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/54/9 while setting a target of 35 for the number of annual programmes of multi-year agreements to be approved, a target of 58 for the number of individual projects approved and a target of 20 for milestone activities completed/ozone depleting substances levels achieved for approved multi-year agreements.

(iv) UNIDO

Document [UNEP/OzL.Pro/ExCom/54/10](#) contains a summary of, and the comments and recommendations of the Fund Secretariat on, UNIDO's 2008-2010 business plan.

Issues to be addressed:

- HCFC activities;
- Metered-dose inhaler activities in countries that have already received total phase-out projects;
- ODS disposal activities;
- TPMP activities in Turkmenistan in the light of decision 46/21; and
- Possible overlap with activities of other agencies;

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

- (a) Endorsing the 2008-2010 business plan of UNIDO as contained in UNEP/OzL.Pro/ExCom/54/10, without prejudice to the Parties' decision on replenishment for the year 2010 and beyond, while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) HCFC activities;
 - (ii) Metered-dose inhaler activities in countries that have already received total phase-out projects;
 - (iii) ODS disposal activities;
 - (iv) TPMP activities in Turkmenistan in the light of decision 46/21;
- (b) Requesting UNIDO to report to the 54th Meeting on the areas of possible overlap with activities in other agencies' business plans and note the information provided as appropriate; and
- (c) Approving the performance indicators for UNIDO set out in Table 2 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/54/10.
- (v) **World Bank**

Document UNEP/OzL.Pro/ExCom/54/11 contains a summary of, and the comments and recommendations of the Fund Secretariat on, the World Bank's 2008-2010 business plan.

Issues to be addressed:

- HCFC activities;
- ODS disposal activities; and
- Possible overlap of activities with other agencies.

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

- (a) Endorsing the 2008-2010 business plan of the World Bank as contained in UNEP/OzL.Pro/ExCom/54/11, without prejudice to the Parties decision on replenishment for the year 2010 and beyond, while noting that endorsement denotes neither approval of the projects identified therein nor their funding levels, and the endorsement is with any modifications based on consideration of the following activities:
 - (i) HCFC activities;
 - (ii) ODS disposal activities;
- (b) Requesting the World Bank to report to the 54th Meeting on the areas of possible overlap with activities in other agencies' business plans and note the information provided as appropriate; and
- (c) Approving the performance indicators for the World Bank set out in Table 2 of the Fund Secretariat's comments, as contained in UNEP/OzL.Pro/ExCom/54/11.

8. Programme implementation

(a) Monitoring and evaluation:

(i) Final report on the evaluation of management, monitoring and verification of NPPs in non-LVC countries

Document UNEP/OzL.Pro/ExCom/54/12: The focus of the present evaluation was to review the management, monitoring, reporting and verifications systems in place, compare them to the existing guidelines and assess their appropriateness and efficacy. In order to assess these aspects of the national phase-out plans (NPPs), the planning, management and monitoring of the individual activities implemented and their actual results also had to be analyzed and compared to the initial plans.

Eight country case studies were conducted, covering a representative sample of large and small countries in all regions as well as countries with early and recently starting NPPs, countries with phase-out ahead and behind schedule, with one or several implementing agencies, and with different modes of cooperation between national ozone units (NOUs) and project management units (PMUs).

Issues to be addressed:

- Phase-out achieved and compliance situation;
- Management and implementation of NPPs;
- Efficacy and sustainability;
- Monitoring and reporting;
- Verification.

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

- (a) Urging Article 5 countries implementing phase-out plans to consider:
 - (i) Issuing decrees (orders usually emanating at ministry level), if possible, to introduce the needed policies, bans and restrictions given the complexity and time required to create or amend legislation;
 - (ii) Undertaking a comprehensive needs analysis for further training of customs officers and developing a training plan utilizing the train-the-trainer approach and integrating ODS issues into the regular curriculum in order to create sustainable training capacities;
 - (iii) Charging fees for technician training from the participants or their employers to increase ownership and generate funds for additional training activities;
 - (iv) Using voucher systems to enable workshops to select recovery and recycling (R&R) equipment they want and need, while paying for part of the cost to increase the likelihood of use and to allow for a greater amount of equipment to be purchased;
 - (v) Developing business plans for reclamation centres, demonstrating how such centres can be made self-sustainable;
 - (vi) Undertaking, where not yet done, a needs analysis (at least an estimate based on best available information or surveys) and developing comprehensive training plans for the remaining numbers of refrigeration technicians to be trained;
 - (vii) Monitoring routinely local market place conditions, since prices of CFCs and substitutes tend to be good indicators of the potential risk for illegal trade;
- (b) Requesting UNEP's CAP regional offices to disseminate the on-line interactive customs training module and manual for customs officers developed in Argentina to all interested Article 5 countries;
- (c) Requesting the implementing agencies to:
 - (i) Complete carefully the new multi-year agreement (MYA) overview tables for all additional tranches requested, in cooperation with the NOUs and PMUs concerned;
 - (ii) Improve the content and clarity of annual implementation reports (AIPs) by reflecting the data in the MYA overview tables and explaining differences between planned and actual results both for

the reporting year and in cumulative terms for the whole NPP;

- (iii) Indicate the cost of verification reports in the AIPs and annual work plans and ensure that all parts of the verification guidelines are followed;
- (iv) Find other means of cross-checking Customs data to provide the Executive Committee with the required assurances in countries where individual company data are not accessible; and
- (v) Explore options of working with government auditors in countries where this would result in better access to data.

(ii) Desk study on the evaluation of institutional strengthening projects

Document UNEP/OzL.Pro/ExCom/54/13: Following a discussion of options for IS support beyond 2010, the Executive Committee decided at its 53rd Meeting, to request the Fund Secretariat to review possible funding arrangements and levels for capacity building and to explore the extent, nature and eligibility of any additional measures that might be considered for funding to address activities for HCFC phase-out.

This desk study is the first phase of an evaluation of the results and achievements of institutional strengthening (IS) projects to date, and contains suggestions for the future scope, management and funding of IS projects during the final phase-out of CFCs and the start-up of the phase-out of HCFCs.

Issues to be addressed:

- Data sources and methodology used for the desk study;
- Objective and focus of the full evaluation;
- Evaluation issues suggested; and
- Proposed work plan for the evaluation.

Action expected from the Executive Committee: the Executive Committee may wish to take note of the information provided in the desk study on the evaluation of IS projects, as presented in document UNEP/OzL.Pro/ExCom/54/13, including the proposed evaluation issues and work plan for the second phase of the evaluation.

(b) Annual tranche submission delays

Document UNEP/OzL.Pro/ExCom/54/14 contains information on submissions of annual tranches of multi-year agreements, including reasons for submission delays.

Issues to be addressed:

- Less than half (26) of the 53 annual tranches of MYAs due for submission to the 54th Meeting were submitted on time.

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

- (a) Noting the information on annual tranches of multi-year agreements submitted to the Secretariat by Canada, Spain, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/54/14);
 - (b) Noting that 26 of the 53 annual tranches of multi-year agreements that were due for submission were submitted on time to the 54th Meeting, but 27 of them had not been submitted.
 - (c) Noting that letters should be sent for the annual tranches indicated in Table 1 above that were due for submission to the 54th Meeting with the reasons indicated for the delay, and encouraging implementing agencies and the relevant Article 5 Governments to submit these annual tranches to the 55th Meeting; and
 - (d) Encouraging the Government of Seychelles to expedite the implementation of the first tranche of its TPMP in order to submit the second tranche as soon as possible.
- (c) **Report on implementation of approved projects with specific reporting requirements**

Document UNEP/OzL.Pro/ExCom/54/15 consists of progress reports on the implementation of: the national phase-out plan in Afghanistan and the terminal plan out management plan in Fiji.

Issues to be addressed: None

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

- (a) Take note of the progress report on the implementation of the 2007 work programme of the national CFC phase-out plan for Afghanistan, and approve the annual implementation programme for 2008; and
- (b) Take note of the progress report on the implementation of the terminal phase-out management plan in Fiji.

9. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/54/16 consists of three sections. Section I provides the statistics on the submissions to the 54th Meeting received from implementing and bilateral agencies, and an assessment of the fund balance available against the demand for funds based on the submissions; Section II contains two policy issues identified by the Secretariat from the review of the submissions at the meeting; and Section III presents a submission received from the implementing agencies, which are proposed amendments to on-going projects.

Issues to be addressed:

- Project preparation for investment and demonstration projects for phasing out HCFC: The Secretariat considers that these requests, included in two agencies' work programmes is premature due to the number of policy issues that need to be addressed and decided upon by the Committee before funding of such projects could be agreed. At the request of the Secretariat, UNDP has removed the requests from its work programme but UNIDO has declined.
- The admissibility of compensation for losses resulting from war situations.

Action expected from the Executive Committee:

Project preparation for investment and demonstration projects for phasing out HCFCs:

- The Executive Committee may wish to consider the timing of such requests in the context of its discussion under Agenda item 11 (a) Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h)); and 11 (b) on the preliminary discussion paper providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out (decision 53/37 (i)).

Methyl bromide phase-out project in Lebanon:

- The Executive Committee may wish to consider approving on an exceptional basis, the request by the Government of Lebanon for an additional US \$57,300 plus agency support costs of US \$4,298 for UNDP and US \$4,900 plus agency support costs of US \$368 for UNIDO to cover the losses incurred by the project during the extraordinary events in the country in 2006.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/54/17 provides an overview of requests from bilateral agencies, and whether they are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2008. It also cross-references relevant meeting documents, which include a discussion on the bilateral requests. There are three requests that are fully addressed in this document. These are from the Government of Germany for an institutional strengthening project in Papua New Guinea, the Government of Japan for a project preparation for a demonstration project on ODS disposal for the Asia and the Pacific Region, and the Government of Spain for a technical assistance programme to introduce new emerging chemical alternatives for the replacement of methyl bromide for the Latin America and the Caribbean Region. The documents presents a total of twelve requests for bilateral cooperation with a value of US \$5,647,779 (including agency fees) that have been received by the Secretariat for approval at the 54th Meeting.

Issues to be addressed: None

Action expected from the Executive Committee: the Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 54th Meeting as follows:

- (a) US \$656,272 (including agency fees) against the balance of Canada's bilateral contribution for 2008
- (b) US \$577,995 (including agency fees) against the balance of France's bilateral contribution for 2008;
- (c) US \$1,568,182 (including agency fees) against the balance of Germany's bilateral contribution for 2008;
- (d) US \$2,230,000 (including agency fees) against the balance of Italy's bilateral contribution for the period 2006 to 2008;
- (e) US \$33,900 (including agency fees) against the balance of Japan's bilateral contribution for 2008;
- (f) US \$166,562 (including agency fees) against the balance of Spain's bilateral contribution for 2008; and
- (g) US \$414,868 (including agency fees) against the balance of Switzerland's bilateral contribution for the period 2006 to 2008 (pending the outcome of the discussion under (UNEP/OzL.Pro/ExCom/54/7)).

(c) Work programmes and amendments:**(i) Amendments to the 2008 work programme of UNEP**

Document UNEP/OzL.Pro/ExCom/54/18 contains 65 activities submitted by UNEP, including requests for institutional strengthening projects (renewals, start-up funds and phase I of a new IS), preparation of terminal phase-out management plans (TPMPs), and requests for the preparation of HCFC phase-out management plans. The activities recommended for blanket approval are being considered in agenda item 9(a). The requests for the preparation of HCFC phase-out management plans are pending due to lack of existing guidelines and require a decision by the Executive Committee, and will be considered in conjunction with agenda item 11(a) and 11(b).

Issues to be addressed:

- Renewal of the IS project for Vanuatu: country has not submitted data and does not have a full time ODS Officer;
- Approval of the request for TPMP preparation for Brunei Darussalam without new funding, and using current funds remaining for the RMP due to long delays in RMP implementation and that the project has substantive balances;
- Approval of the request for TPMP preparation for Haiti considering that it does not have an ODS licensing system in place;
- Request for TPMP preparation for Turkmenistan pursuant to decision 46/21; and
- Requests for the preparation of HCFC phase-out management plans for 42 countries. The Secretariat is unable to make a recommendation considering that there are currently no existing guidelines for the development and funding of the preparation of HCFC phase-out management plans.

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

- (a) Consider approving funding Phase II of the institutional strengthening project for Vanuatu at the level of US \$6,750 for one year only as no data as per Article 7 of the Protocol has been so far submitted and they have no full time ODS Officer;
- (b) Consider the requests for the preparation of HCFC phase-out management plans in the light of the discussions on agenda item 11(a) on Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h));
- (c) Consider approving the project preparation for a TPMP for Brunei without additional funding, using funds remaining for the RMP implementation on the condition that the Government of Brunei provides a written

commitment to the Executive Committee that the final TPMP for funding will be submitted at the last meeting of 2008 to allow one full year of implementation before 2010;

- (d) Consider the request for the project preparation for the terminal phase-out management plan in Turkmenistan in the light of decision 46/12; and
- (e) Consider approving the request for project preparation of terminal phase-out plan for Haiti on the condition that funding for the full TPMP implementation will be approved only when a licensing system is in place.

(ii) 2008 work programme of UNDP

Document [UNEP/OzL.Pro/ExCom/54/19](#) contains 44 activities submitted by UNDP, which includes requests for renewal institutional strengthening projects, preparation of TPMPs to be implemented with UNEP, project preparation for investment projects in the CFC MDI sector, technical assistance for the preparation of an MDI transition strategy and preparation of HCFC phase-out management plans. The activities recommended for blanket approval are being considered under agenda item 9(a). The requests for the preparation of HCFC phase-out management plans are pending due to lack of existing guidelines and require a decision by the Executive Committee, and will be considered in conjunction with agenda items 7(a) and 11(a). The other proposals are recommended for individual consideration and are being considered in Agenda 9(d).

Issues to be addressed:

- Approval of the request for TPMP preparation for Brunei Darussalam without new funding, and using current funds remaining for the RMP due to long delays in RMP implementation and that the project has substantive balances;
- Approval of the request for TPMP preparation for Haiti considering that it does not have an ODS licensing system in place;
- Requests for the preparation of HCFC phase-out management plans for 37 countries: The Secretariat is unable to make a recommendation considering that there are currently no existing guidelines for the development and funding the preparation of HCFC phase-out management plans, and initial discussion will take place only at this meeting; and
- Requests for a technical assistance for the preparation of an MDI transition strategy for Moldova and for project preparation for MDI investment project in Pakistan pursuant to decision 51/34.

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

- (a) Consider approving the project preparation for a TPMP for Brunei without additional funding, using funds remaining for the RMP implementation on the condition that the Government of Brunei provides a written

commitment to the Executive Committee that the final TPMP for funding will be submitted at the last meeting of 2008 to allow one full year of implementation before 2010;

- (b) Consider approving the request for project preparation of terminal phase-out plan for Haiti on the condition that funding for the full TPMP implementation will be approved only when a licensing system is in place;
- (c) Consider the requests for the preparation of HCFC phase-out management plans in the light of the discussions on agenda item 11(a) on Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h));
- (d) Consider approval of the request for preparation of an MDI transition strategy for Moldova at the funding level of US \$30,000 and confirm whether the information provided is consistent with the requirements of decision 51/34. UNDP may also be requested to that no further funds for the phase-out in the MDI sector will be available;
- (e) Consider whether to approve the request for project preparation at the funding level of US \$60,000 for Pakistan and confirm whether the information provided is consistent with the requirements of decision 51/34. For this project, the Executive Committee may wish UNDP to note the following:
 - (i) Project preparation should cover only the company and consumption that was identified at the time the remaining eligible CFC consumption was agreed upon and target only on the percentage that is locally owned; and
 - (ii) Any new MDI production after the 42nd Meeting where the last sector plan was approved for Pakistan is not eligible for funding consistent with approvals made for similar investment projects in this sector.

(iii) 2008 work programme of UNIDO

Document UNEP/OzL.Pro/ExCom/54/20 contains 55 activities submitted for funding by UNIDO including a request for a regional demonstration project for alternatives to fresh dates in Algeria and Tunisia, and a project preparation request for a methyl bromide project in Zambia which are both recommended for blanket approval and have been considered in Agenda Item 9(a). The requests for the preparation of HCFC investment projects (22 requests) and HCFC phase-out management plans (29 requests) are pending and will be considered in conjunction with agenda items 7(a) and 11(a). The other proposals are for individual consideration.

Issues to be addressed:

- Project preparation for a methyl bromide project in Ethiopia when it has not yet ratified the Copenhagen Amendment;
- Request for TPMP preparation for Turkmenistan pursuant to decision 46/21;
- Requests for the preparation of investment projects for HCFC phase out management plans in 22 countries: whether these requests should be considered for this meeting, and discussed on conjunction with Agenda item 11(b); and
- Requests for technical assistance in the preparation of HCFC phase-out management plans in 29 countries: The Secretariat is unable to make a recommendation considering that there are currently no existing guidelines for the development and funding the preparation of HCFC phase-out management plans, and initial discussion will take place only at this meeting.

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

- (a) Consider the request for the project preparation for the terminal phase out management plan in Turkmenistan in the light of decision 46/12;
- (b) Consider approving the request for project preparation funds for Ethiopia at the level of funding indicated in Table 1 of the document on the condition that no disbursement shall be made until the country ratifies the Copenhagen Amendment;
- (c) Consider the requests for project preparation for investment projects in the HCFC sector in the light of the discussions on agenda items 7(a) and (b)(iv), 2008-2010 Business Plans and 11(b) on the preliminary discussion paper providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out (decision 53/37 (i)); and
- (d) Consider the requests for technical assistance for the preparation of HCFC phase-out management plans in the light of the discussions on agenda item 11(a) on Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h)).

(iv) 2008 work programme of the World Bank

Document UNEP/OzL.Pro/ExCom/54/21 contains one request for renewal of institutional strengthening project for the Philippines submitted by the World Bank. This request is being recommended for blanket approval under agenda item 9(a).

Issues to be addressed: None

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

- (a) Consider approving the funding for the renewal of the IS project renewal for the Philippines.

(d) Investment projects

Document UNEP/OzL.Pro/ExCom/54/16 contains in Annex II a list of 14 projects for individual consideration. All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in Agenda item 9 (a).

Issues to be addressed: In Table 1 below, each of the 14 projects should be considered for approval individually. Project descriptions and the comments of the Secretariat can be found in the relevant country project document referred to in the table.

Table 1: List of projects for individual consideration

Country	Project	Agency	Issue
Methyl bromide			
Mexico	National methyl bromide phase-out plan (first tranche)	Canada, Italy, Spain and UNIDO	Current practice of new MB project be approved individually but no outstanding issues and recommended for approval
Multi-year Agreements			
Burkina Faso	Terminal phase-out management plan for CFCs (second tranche)	Canada, UNEP	TPMP approved but disbursement of remaining funds from RMP need endorsement
Côte d'Ivoire	Terminal phase-out management plan (first tranche)	UNEP and UNIDO	Outstanding issues related to remaining activities under an RMP and RMP update
Dominican Republic	Terminal phase-out management plan (first tranche)	UNDP	Open issues related to expenditures and planning
Eritrea	Terminal phase-out management plan for CFCs (first tranche)	UNEP and UNIDO	Non compliance with the 2005 MP CFC control level, licensing system established but not yet reported to the Ozone Secretariat
Kenya	Terminal CFCs phase-out management plan (second tranche)	France	CFC consumption levels in 2004 and 2005 were over the maximum allowable levels under the Agreement
India	National CFC consumption phase-out plan focusing on the refrigeration service sector: 2008 work programme	Germany, Switzerland, UNEP, UNDP and UNIDO	Non-compliance with the agreement

Country	Project	Agency	Issue
Indonesia	Phase-out of CFCs in the refrigeration sector (manufacturing) (sixth tranche) – UNDP Phase-out of residual CFCs in the foam sector (fourth tranche) – World Bank	UNDP, UNIDO, and World Bank	Open issues related to expenditures, planning and verification
Libya:	National ODS phase-out plan: third tranche	UNIDO	Open issues related to expenditures and planning
Pakistan	Sector phase out plan of CTC, third tranche	UNIDO	Open issues related to expenditures and planning
Togo	Terminal phase-out management plan for CFCs (first tranche)	UNEP, UNDP	Cost and other issues under discussion
Process agent			
Brazil	Phase-out of carbon tetrachloride as process agent in two applications at Braskem	UNDP	Deferred by Committee to 54 th Meeting
Production sector			
India	Verification of 2007 CFC production and 2008 work programme	World Bank	Need to be considered in the overall context of solution for the national CFC consumption phase out plan

Action expected from the Executive Committee: the Committee may wish to consider whether to approve each of the 14 projects listed in the table above on the basis of: the information provided in the relevant project proposal document including the Secretariat's comments; any additional documents circulated in accordance with decision 41/80; and, any additional information provided at the meeting by the Secretariat or the relevant implementing/bilateral agency.

10. Country programmes

Documents UNEP/OzL.Pro/ExCom/54/51 and UNEP/OzL.Pro/ExCom/54/52: contain, respectively, the country programme of Eritrea and the country programme update of Nigeria.

Issues to be addressed: None

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

- (a) Approve the country programme of Eritrea, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels. Approval of the Eritrea country programme should be without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance;
- (b) Request the Government of Eritrea to report to the Executive Committee on the progress made in implementation of the country programme annually, noting that the first report should be submitted to the Secretariat no later than 1 May 2009; and

- (c) Approve the Nigeria country programme update noting that approval of the country programme does not denote approval of the projects identified therein nor their funding levels.

11. HCFCs:

- (a) **Draft guidelines for the preparation of HCFC phase-out management plans incorporating HCFC surveys (decision 53/37 (h))**

Document UNEP/OzL.Pro/ExCom/54/53 contains draft guidelines for HCFC phase-out management plans (HPMPs). The document contains three parts. Part I addresses the timing and the general approach to adopting guidelines for the development of HPMPs. Part II covers policy issues that are related to the development of the guidelines. Part III outlines specific activities that should be undertaken with respect to data collection, preparation, consultation and finalization of draft guidelines for the preparation of HPMPs.

Issues to be addressed:

- Timing and a staged approach;
- Stage One would cover the 2013 and 2015 control measures;
- Countries groups for those with servicing only and those with servicing and manufacturing;
- Starting point for aggregate sustained reductions of consumption;
- Funding inclusion of HCFC control measures in licensing systems and the associated pre-requisite for HPMP funding;
- The need for a lead agency;
- Costing stage one HPMP action plans;
- Climate change benefits and technologies;
- Source of funding and financial incentives;
- Institutional arrangements; and
- Information in the HPMP format.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the information provided in the status report, as presented in document UNEP/OzL.Pro/ExCom/54/53 and to consider requesting that:

- (a) Countries adopt a staged approach to the implementation of an HCFC phase-out management plan (HPMP), within the framework of their overarching-strategy;
- (b) As soon as possible and depending on the availability of resources, countries employ the guidelines herein to develop, in detail, stage one of the HPMPs, which addresses how countries will meet the freeze in 2013 and 10 per cent reduction in 2015, with an estimate of related cost considerations and applying cost guidelines as they are developed;
- (c) The elaboration of stage one of the HPMP, and subsequent stages, should be developed as follows:

- (i) For countries with consumption in the servicing sector only should;
 - a) Be developed consistent with existing guidelines for the preparation of RMPs/RMP updates as per decisions 31/48 and 35/57; and, if applicable, the preparation of TPMPs as per decision 45/54;
 - b) Contain commitments to achieve the 2013 and 2015 HCFC control measures and include a performance based system for HPMPs based on the completion of activities in the HPMP to enable the annual release of funding for the HPMP;
- (ii) For countries with manufacturing sectors using HCFCs, HPMPs should:
 - a) Be developed and contain a national performance-based phase-out plan (NPP) or one or more SPP(s) or substance-based phase-out plan consistent with decision 38/65 addressing consumption reduction levels sufficient to achieve the 2013 and 2015 HCFC control measures and provide starting points for aggregate reductions along with annual reduction targets;
- (d) For countries that choose to implement projects in advance of the completion of the HPMP:
 - (i) A starting point for aggregate reductions should be established with the approval of the first project that will result in a phase-out of HCFC that should count against the plan;
 - (ii) If using the individual project approach, the submission of the first project should provide an indication of how the demonstration projects relate to the HPMP and an indication of when the HPMP would be submitted;
- (e) The Executive Committee may wish to consider providing funding for assistance to include HCFC control measures in legislation, regulations and licensing systems as part of the funding of HPMP preparation as necessary and require confirmation of the implementation of the same as a prerequisite to funding implementing of the HPMP;
- (f) In cases where there are multiple implementing agencies in one country, a lead agency should be designated to coordinate the overall development of stage one of the HPMP;
- (g) HPMPs should contain cost information at the time of their submission that is based on, and addresses:
 - (i) The most current HCFC cost guidelines at the time of submission;
 - (ii) Alternative cost scenarios based on different potential cut-off dates, for new capacity if a specific cut-off date has not yet been decided, for funding eligibility of manufacturing facilities as specified in

decision 53/37 paragraph (k), as well as the current policy of a 25 July 1995 cut-off;

- (iii) Alternative cost scenarios for the operational and capital costs for second conversions;
 - (iv) The incremental costs of banning import and supply to the market of HCFC dependent equipment once proven alternatives are commercially available in the country and the costs associated with the servicing sector;
 - (v) Cost and benefit information based on the full range of alternatives considered and associated ODP and global warming potential (GWP) benefits;
 - (vi) Options for the mobilization of additional resources outside the Multilateral Fund to maximize the climate benefit of the contribution of the Multilateral Fund;
- (h) HPMPs should address financial incentives and opportunities for co-financing including how such programmes could be implemented;
- (i) HPMPs should address:
- (i) The use of institutional arrangements mentioned in decision 53/37 paragraphs (e) and (f);
 - (ii) The roles and responsibilities of associations of refrigeration technicians and other industry associations and how they could contribute to HCFC phase-out; and
- (j) HPMPs should, at a minimum, fulfil the data and information requirements listed in the indicative outline for the development of HPMPs, as set out in paragraphs 42 to 66 of the present document.
- (b) Preliminary discussion paper providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out (decision 53/37 (i))**

Document UNEP/OzL.Pro/ExCom/54/54 is a preliminary discussion document providing analysis on all relevant cost considerations surrounding the financing of HCFC phase-out, including information on the cost benchmarks/ranges and applicability of HCFC substitute technologies. It also considers issues on substitute technologies, financial incentives and opportunities for co-financing, which could be relevant for ensuring that the HCFC phase-out resulted in benefits in accordance with paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties. As per decision 53/37 (i) the Secretariat would circulate the paper by 25 March 2008.

Issues to be addressed: Pending

Action expected from the Executive Committee: Pending

12. Reconciliation of 2006 accounts (follow-up to decision 53/42 (c) and (d))

Document UNEP/OzL.Pro/ExCom/54/55: Part I presents UNEP's feedback to the Committee on its findings on the amount of US \$105,494 difference in expenditures reported in its financial statement and in its progress report. Part II presents feedback received from the implementing agencies on the methodology they use when reporting on expenditures incurred against the programme support costs for approved projects. Part III provides a set of conclusions and recommendations for the consideration of the Executive Committee.

Issues to be addressed: None

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

- (a) Take note of document UNEP/OzL.Pro/ExCom/54/55;
- (b) Note UNEP's request to report on its findings on the US \$105,494 difference in expenditures recorded in its financial statement, its progress report, and the nature of the corrective action required, to the 55th Meeting;
- (c) Note that further work will be undertaken in the administrative cost study to address the adequacy of the agency fees and core unit funding as well the recording of the programme support cost earned under bilateral activities;
- (d) Recommend that the Consultant for the administrative cost study take this document into account;
- (e) Note that there is no standard methodology to report on the programme support cost in the financial statements;
- (f) Note that three agencies out of four have a separate trust fund for Montreal Protocol activities; and
- (g) Note that two of three agencies have a separate account for core unit costs and a separate one for agency fees.

13. Assessment of the administrative costs required for the 2009-2011 triennium (follow-up to decision 50/27)

Document UNEP/OzL.Pro/ExCom/54/56 contains a progress report from the Consultant pursuant to decisions 50/27 and 51/38. The document contains a review of the objectives, the study approach, an outline for the final report, and planned site visits. The Consultant will provide an updated presentation at the 54th Meeting.

Issues to be addressed:

- Questions on progress report or presentation;
- Clarifications on objectives and study approach; and
- Outline of final report.

Action expected from the Executive Committee: the Executive Committee may wish to take note of the information provided in the progress report, as presented in document UNEP/OzL.Pro/ExCom/51/40, and the presentation provided by the Consultant at the 54th Meeting.

14. Report on the operation of the Executive Committee (decision 53/40)

Document UNEP/OzL.Pro/ExCom/54/57 is submitted as a follow-up to decision 53/40, through which the Committee decided to revisit the issue of the number of Executive Committee meetings at its 54th Meeting.

Issues to be addressed:

- The feasibility of reducing the number of meetings of the Executive Committee judging from the projected workload; and
- The timeframe of implementation and conditions that have to be met.

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

- (a) The report from the Fund Secretariat contained in document UNEP/OzL.Pro/ExCom/54/57; and
- (b) The analysis of the pros and cons of each of the two following options:

Table

	Pros	Cons	Action required
Option One	<ul style="list-style-type: none"> • Avoid the inconvenience of changes, including rearranging the agenda from three to two meetings. • Continue with the established systems for project review and monitoring. 	<ul style="list-style-type: none"> • No relief in the number of Montreal Protocol-related meetings per year. • Reduced opportunity to optimise efficiency of operation. 	<ul style="list-style-type: none"> • None.
Option Two	<ul style="list-style-type: none"> • Ability to carry out existing business programmes efficiently. • Provide the possibility for a specialised meeting on a need basis to address, for example the HCFC funding guidelines or any other issues from intersessional approvals and other matters. • The specialised meeting (second meeting of the year) would require a shorter agenda, a shorter duration and less documentation. 	<ul style="list-style-type: none"> • One less meeting to address monitoring and financial matters. • Inconvenience of redesigning the agenda for two meetings from three meetings. • The need to split annual progress into a biannual one. 	<ul style="list-style-type: none"> • Redesign the agendas for the two regular meetings with the progress reports being considered at both meetings, operational activities being reported at the first meeting and the financial data being reported at the second meeting. (Illustrative agenda attached as Annex II). • Apply the existing intersessional approval procedure or develop a new one with defined delegated authority to the Chief Officer.

15. Revised staffing structure for the Secretariat (decision 53/43 (e))

Pending

16. Other matters

17. Adoption of the report

18. Closure of the meeting
