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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Fifty-seventh Meeting
Montreal, 30 March - 3 April 2009

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organization matters

(a) Adoption of the agenda

Document [UNEP/OzL.Pro/ExCom/57/1](#) contains the Provisional Agenda for the 57th 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/57/1 and, if needed, as amended verbally at the plenary.

(b) Organization of work

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

3. Secretariat activities

Document [UNEP/OzL.Pro/ExCom/57/2](#) presents a report on the activities of the Secretariat since the 56th Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 56th Meeting, the preparations for the 57th and 59th Meetings, interactions with other MEAs (Multilateral Environmental Agreements) as well as information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this reporting period.

* Document revised to reflect additional text highlighted for ease of reference.

Issues to be addressed:

- Guidance on response to the SAICM Secretariat.
- Venue of the 59th Meeting.

Action expected from the Executive Committee: The Executive Committee may wish to take note of the report on the Secretariat Activities (document UNEP/OzL.Pro/ExCom/57/2), provide guidance on the response to the SAICM Secretariat, and discuss further under “Other Matters” the venue and dates of its 59th Meeting.

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/57/3 provides information on the status of the Fund as at 27 February 2009 as recorded by the Treasurer. At that date, the Fund’s balance stood at US \$59,761,456 after taking into account all the funds approved by the Executive Committee up to and including the 56th Meeting. Table 1 of this document reflects also the additional income of approximately US \$1.2 million from the return of the Thai chiller project in a separate line under the income component.

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/57/3;
- (b) Urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible;
- (c) Urge Parties eligible to use the fixed-exchange-rate mechanism to advise the Treasurer of their intention to do so before the 58th Meeting of the Executive Committee; and
- (d) Request the Treasurer to add to his report to the 58th Meeting of the Executive Committee the list of Parties which have opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period of 2009-2011.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/57/4 contains a summary of the financial adjustments indicated by the bilateral and implementing agencies and agreed by the Fund Secretariat. It also includes statistical data from projects with balances that have been held for more than the allowable 12 month period following project completion and indicates the level of resources available to the 57th Meeting of the Committee.

Issues to be addressed: None.

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

- (a) Note the report on balances and availability of resources contained in UNEP/OzL.Pro/ExCom/57/4;

- (b) Note the net level of funds being returned by the implementing agencies to the 57th Meeting amounting to US \$449,113 against projects. This includes the return of US \$41,294 from UNDP, US \$364,421 from UNEP, and US \$43,398 from UNIDO;
- (c) Note the net level of support costs being returned by the implementing agencies to the 57th Meeting amounting to US \$34,800 against projects. This includes the return of US \$5,042 from UNDP, US \$25,487 from UNEP and US \$4,271 from UNIDO;
- (d) Note the net level of fund and support costs being returned by the bilateral agencies to the 57th Meeting amounting, to US \$1,028,355 against projects and request the Treasurer to offset bilateral funding by US \$24,100 for Australia, US \$448,876 for France, US \$23,798 for Italy, and US \$67,093 for Japan; and to record US \$422,864 in interest accrued and US \$41,624 in exchange gain as miscellaneous income to the Fund;
- (e) Note that France has transferred project IVC/REF/37/INV/17 to UNIDO at the net level of funds of US \$1,000,000 and support costs of US \$75,000;
- (f) Note that implementing agencies had balances totalling US \$6,635,720 excluding support costs from projects completed over two years ago. This includes US \$481,669 from UNDP, US \$2,158,709 from UNEP, US \$857,335 from UNIDO, and US \$3,138,007 from the World Bank;
- (g) Note that bilateral agencies had balances totalling US \$289,495 excluding support costs from projects completed over two years ago. This includes US \$165,898 from France, minus US \$605 from Italy, US \$43,497 from Denmark; and US \$80,255 from Finland.

(b) Financial planning for 2009-2011

Document UNEP/OzL.Pro/ExCom/57/5 is intended to assist the Executive Committee to address elements of decision XX/10 of the Meeting of the Parties regarding the Multilateral Fund budget of US \$490 million for the 2009–2011 triennium. It reviews the commitments and resources available for new activities, bilateral contributions and resource availability in the light of expected cash flow during the triennium, and provides the Executive Committee with proposed annual budgets and other recommendations for its consideration.

Issues to be addressed:

- Commitments and resources available for new activities during 2009-2011;
- Bilateral contributions;
- Cash flow and receipt of contributions
- Arrears from 2006-2008 triennium and countries that have not previously paid contributions;
- Encashment of promissory notes;
- Fund balance and earnings from interest;
- Assumptions for full allocation of the 2009-2011 budget; and
- Annual budgets and resource allocation for 2009-2011 in view of agency business plans.

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

- (a) Note the report on financial planning for the 2009-2011 triennium as contained in UNEP/OzL.Pro/ExCom/57/5;
- (b) Request that bilateral agencies specify the costs of planned activities in their annual business plans and remain within those estimates specified when submitting these projects during the 2009-2011 triennium;
- (c) Urge contributing Parties to make payments for each year by June in accordance with paragraph 7 of decision XI/6 of the Eleventh Meeting of the Parties, to enable the full commitment of the US \$490 million budget during the 2009-2011 as foreseen in decision XX/10 of the Twentieth Meeting of the Parties (paragraph 3);
- (d) Urge those contributing Parties with arrears from the 2006-2008 triennium to pay them during 2009, since they account for US \$43.2 million of the US \$73.9 million carryover from the 2006-2008 triennium;
- (e) Request those contributing Parties that do not provide for an the accelerated encashment of promissory notes to consider allowing either an accelerated encashment schedule or adjusting their encashment schedule of future promissory notes to correspond to the year in which those contributions are due;
- (f) Urge countries with economies in transition that have not paid previously to make their contributions to the Multilateral Fund for the Implementation of the Montreal Protocol for the 2009-2011 triennium;
- (g) Adopt a resource allocation of US \$128 million in 2009, US \$170 million in 2010, and US \$192 million in 2011 with any unallocated funds to be subsequently allocated during the present triennium;
- (h) Consider the availability of cash flow for the 2011 budget at the first meeting of 2011 in light of the collection of interest, the payment of contributions from countries that have not previously paid, and any losses due to non-payment or the fixed exchange rate mechanism; and
- (i) Monitor, in the context of business planning, the impact of the allocation of annual tranche funding in multi-year agreements on the new allocations of US \$340.6 million in the budget for the 2009-2011 triennium to enable as many HCFC phase-out plans for as many countries as possible to be accommodated during the triennium.

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/57/6 contains five parts. Part I has been prepared in response to decisions 32/76(b) and 46/4, which requested the Secretariat to prepare an update for each Meeting of the Executive Committee on the status of compliance of Article 5 countries. Part II contains information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance. Part III presents data on the implementation of country programmes. Part IV presents the results of the progress in achieving compliance, including information on projects with implementation delays. Part V addresses the report on the usefulness and level of effort associated with preparing assessments of the risk of non-compliance.

Issues to be addressed:

- On implementation delays and status reports:
 - Report from the Government of Germany on the project for the recovery and recycling of CFCs in the United Republic of Tanzania
- On the risk assessment:
 - The continued need for the assessment of progress of Article 5 countries in achieving compliance.

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

- (a) Noting:
- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Germany, Japan, Spain, Portugal and the four implementing agencies addressed in UNEP/OzL.Pro/ExCom/57/6;
 - (ii) The completion of thirteen of the 33 projects listed with implementation delays;
 - (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify Governments and implementing agencies as required.
 - (iv) With appreciation the comments received from 53 countries on the risk indicators;
 - (v) With appreciation, that 92 countries indicated thus far their confidence in complying with the control measures of the Montreal Protocol after having reviewed the risk assessment, and to request the Fund Secretariat to continue to update the assessment based on the risk indicators and obtain feedback from the countries.
- (b) Requesting additional status reports on the projects listed in Annex VI to document UNEP/OzL.Pro/ExCom/57/6;
- (c) Requesting an update of the status reports required for the following project during the 57th Meeting for possible cancellation:

| Agency | Code | Project Title |
|---------|-------------------|--------------------------------|
| Germany | URT/REF/36/TAS/14 | Recovery and recycling of CFCs |

- (d) Cancelling the refrigeration project in Islamic Republic of Iran (IRA/FOA/28/INV/50) due to not achieving the milestone set for the company at the 56th Meeting.
- (e) Agreeing to a continued need for the assessment of progress in achieving compliance within available resources of the Fund Secretariat subject to a review at a future date, as necessary.

7. 2009-2011 business plans:

- (a) **Consolidated business plan of the Multilateral Fund and consideration of the updated model rolling three-year phase-out plan for 2009-2011**

Document UNEP/OzL.Pro/ExCom/57/7 is a consolidation of the implementing and bilateral agencies' 2009-2011 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 2009-2011. It also addresses resource

allocation for the 2009-2011, compliance and performance indicators and concludes with observations and recommendations.

Issues to be addressed:

- Resource mobilization for climate co-benefits;
- HCFC foam demonstration projects:
 - value for the development of HPMPs;
 - alternative technologies considered;
 - associated ODS phase-out;
- Alternative technologies for and cost of HCFC refrigeration demonstration projects;
- HCFC solvent demonstration projects;
- ODS disposal demonstration projects;
- Submission of HCFC investment projects and sector plans; and,
- Value of annual tranches for HCFC multi-year agreement activities.

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

(a) Note:

- (i) The Consolidated 2009-2011 business plan of the Multilateral Fund as contained in UNEP/OzL.Pro/ExCom/55/7;
- (ii) That the business plans contain values exceeding the budget for the triennium due largely to the uncertainty in the costing of HCFC activities;

(b) Consider:

- (i) Resource mobilization;
 - (ii) HCFC foam demonstration projects ;
 - (iii) HCFC refrigeration demonstration projects;
 - (iv) HCFC solvent demonstration projects;
 - (v) ODS disposal demonstration projects;
- (c) Request that requests for HCFC investment projects and sector plans should be submitted in the context of a draft HPMP;
- (d) Decide that the value of annual tranches for HCFC MYA activities should be considered in HPMP proposals in the light of budgetary restrictions;
- (e) Urge bilateral and multilateral implementing agencies to continue their efforts to implement approved projects to ensure the expected phase-out of 8,836 ODP tonnes in 2009.

(b) Business plans of the implementing agencies:

(i) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/57/8 presents the business plans for bilateral agencies for the years 2009-2011. The Governments of Canada, Czech Republic, France, Germany, Hungary, and Japan provided information on their 2009-2011 planned bilateral activities. Data for 2009 and 2010 annual tranches for Italy and Spain are also included.

Issues to be addressed:

- Bilateral business plan values that exceed 20 per cent over the 2009-2011 triennium;
- Timing/scheduling of HCFC demonstration projects vis-à-vis HPMPs and Montreal Protocol control measures (Germany);
- Amounts of phase-out associated with HCFC projects not provided (Germany)
- HPMP preparation budgets exceeding the eligible funding limit for the servicing sector (Germany);
- A regional refrigeration association in East Europe and Central Africa in Hungary's business plan in light of decision 54/8(b)(i) (Czech Republic);
- ODS disposal demonstration project in Japan's business plan.

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

- (a) Noting with appreciation the 2009-2011 business plans on bilateral cooperation submitted by Canada, Czech Republic, France, Germany, Hungary, and Japan as addressed in UNEP/OzL.Pro/ExCom/57/8 and taking into account any modifications based on consideration of the following activities:
- (i) HCFC demonstration project in Germany's business plan;
 - (ii) The need for ODS phase-out for HCFC activities in Germany's business plan;
 - (iii) Additional project preparation for the servicing sector in Germany's business plan;
 - (iv) A regional refrigeration association in East Europe and Central Africa in Hungary's business plan; and
 - (v) The ODS disposal demonstration project in Japan's business plan.

(ii) UNDP

Document UNEP/OzL.Pro/ExCom/57/9 contains a summary of UNDP's 2009-2011 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNDP's 2009-2011 business plan is attached to the document.

Issues to be addressed:

- ODS phase-out associated with HCFC foam demonstration projects in Brazil and Mexico;
- Choice of technologies for HCFC refrigeration demonstration projects;
- HCFC solvents demonstration projects related to conversion to non-HCFC technologies for the cleaning of medical devices;
- Metered-dose inhaler transition strategies for countries that had submitted their TPMP/national plan prior to the Committee's decision to include MDIs in TPMPs;
- ODS disposal demonstration projects;
- Resource mobilization for climate co-benefits; and

- Performance indicators.

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

- (a) Endorsing the 2009-2011 business plan of UNDP as contained in UNEP/OzL.Pro/ExCom/57/9 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 foam demonstration projects;
 - (ii) HCFC refrigeration demonstration projects;
 - (iii) HCFC solvents demonstration projects;
 - (iv) Metered-dose inhaler transition strategies;
 - (v) ODS disposal activities; and
 - (vi) Resource mobilization for climate co-benefits;
- (b) Approving the performance indicators for UNDP set out in Table 3 as contained in document UNEP/OzL.Pro/ExCom/57/9 while setting a target of 25 for the number of individual projects approved.

(iii) UNEP

Document UNEP/OzL.Pro/ExCom/57/10 contains a summary of UNEP'S 2009-2011 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNEP's 2009-2011 business plan is attached to the document.

Issues to be addressed:

- Possible need for an investment partner agency for the 53 HPMPs where UNEP is the sole agency;
- Regional approach to HCFC phase-out in the Pacific Island Countries (PICs) in the light of the level of HCFCs to be addressed;
- HCFC refrigeration servicing demonstration project in China;
- Need for additional regional methyl bromide projects for Africa;
- Green Customs Initiative and regional enforcement networks in the light of decision 52/28; and,
- 2009 performance indicators.

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

- (a) Endorsing the 2009-2011 business plan of UNEP as contained in UNEP/OzL.Pro/ExCom/57/10 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 refrigeration servicing demonstration project;
 - (ii) Regional workshops in Africa to prevent new uses of methyl bromide;
 - (iii) Extension of the Green Customs Initiative in the light of decision 52/28;
 - (iv) Regional enforcement networks in the light of the outcomes of the existing networks;
- (b) Requesting UNEP:
- (i) To obtain the understanding of the countries with UNEP as the sole agency that there would be no capital equipment in the HPMPs unless some of the funds for project preparation provided to UNEP would be transferred to other implementing agencies;
 - (ii) To propose a regional project for the Pacific Island Countries (PICs) in the light of the level of HCFCs to be addressed by the project; and
- (c) Approving the 2009 performance indicators and targets for UNEP set out in Tables 2 and 3 as contained in document UNEP/OzL.Pro/ExCom/57/10 while setting a target of 56 for the number of annual programmes of multi-year agreements to be approved, a target of 90 for the number of individual projects approved and a target of 51 for milestone activities completed/ozone depleting substances levels achieved for approved multi-year agreements.

(iv) UNIDO

Document UNEP/OzL.Pro/ExCom/57/11 contains a summary of UNIDO's 2009-2011 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of UNIDO'S 2009-2011 business plan is attached to the document.

Issues to be addressed:

- Choice of blowing agent for and timing of HCFC foam demonstration projects;
- HCFC refrigeration demonstration projects;
 - Nature of demonstration project in Jordan;
 - Technologies for project in China;
- Individual HCFC investment projects for six countries in advance of their HPMPs;
- Nature of ODS disposal demonstration projects;
- Resource mobilization for climate co-benefits; and,
- 2009 performance indicators for UNIDO.

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

- (a) Endorsing the 2009-2011 business plan of UNIDO as contained in UNEP/OzL.Pro/ExCom/57/11 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 foam demonstration projects;
 - (ii) HCFC refrigeration demonstration projects;
 - (iii) ODS disposal activities; and
 - (iv) Resource mobilization for climate co-benefits.
- (b) Approving the performance indicators for UNIDO set out in Table 3 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/57/11 while setting a target of 31 for the number of annual programmes of multi-year agreements approved and a target of 20 for the number of individual projects approved.

(v) World Bank

Document UNEP/OzL.Pro/ExCom/57/12 contains a summary of the World Bank's 2009-2011 business plan, related performance indicators, general comments, and recommendations for consideration by the Executive Committee. The full narrative of the World Bank's 2009-2011 business plan is attached to the document.

Issues to be addressed:

- HCFC production phase-out plans for China and India;
- Executive Committee policy on the eligibility of swing plants for additional funding from the Multilateral Fund to support HCFC production phase-out in India;
- Regional HPMP in Africa in cooperation with UNEP;
- HCFC foam demonstration projects in China;
- ODS disposal demonstration activities;
- Resource mobilization for climate co-benefits; and,
- Performance indicators.

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

- (a) Endorsing the 2009-2011 business plan of the World Bank as contained in UNEP/OzL.Pro/ExCom/57/12 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 production activities;
 - (ii) Regional HPMP in Africa;
 - (iii) HCFC foam demonstration projects;
 - (iv) ODS disposal demonstration activities;
 - (v) Resource mobilization for climate co-benefits;
- (b) Approving the performance indicators for the World Bank set out in Table 3 of the Fund Secretariat's comments as contained in UNEP/OzL.Pro/ExCom/57/12 while setting a target of eight for the number of individual projects, a target of 14 for the milestone activities completed for MYAs, and 229 ODP tonnes for phase-out.

8. Programme implementation:

- (a) **Monitoring and evaluation: Report on the existing terms of reference and how the evaluation functions in similar institutions are organized and implemented (decision 56/8 (d))**

Document UNEP/OzL.Pro/ExCom/57/13 contains the report of the consultant outlining existing terms of reference for the position of Senior Monitoring and Evaluation Officer and summarizing how evaluation functions in other similar fund secretariats and financial institutions are organized and implemented. The report presents a set of conclusions and makes some suggestions on future monitoring and evaluation activities in the Multilateral Fund.

Issues to be addressed: not applicable.

Action expected from the Executive Committee: The Executive Committee may wish to consider the suggestions made in the report.

- (b) **Annual tranche submission delays**

Document UNEP/OzL.Pro/ExCom/57/14 addresses delays in the submission of tranches that were due at the 57th Meeting and presents recommendations for consideration by the Executive Committee. It also presents several annual tranches that have been withdrawn from consideration at the 57th Meeting due to delays in implementation.

Issues to be addressed:

- 32 of the 90 annual tranches due for submission to the 57th Meeting were not submitted due largely to lack of progress in implementing approved tranches.
- Several tranches were submitted but then withdrawn or requested to be withdrawn due to slow implementation, incomplete verification reports, or late submissions with unresolved issues.

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, France, Germany, Italy, UNDP, UNEP, UNIDO, and the World Bank as contained in the document on annual tranche submission delays (UNEP/OzL.Pro/ExCom/57/14);
 - (b) Noting that 58 of the 90 annual tranches of multi-year agreements that were due for submission were submitted on time to the 57th Meeting.
 - (c) Noting that letters should be sent to the relevant implementing agencies and applicable Article 5 countries regarding the annual tranches, which have not been submitted to two or more consecutive Meetings, with the reasons stated for the delay (as indicated in Table 1 of document [UNEP/OzL.Pro/ExCom/57/14](#)) and to encourage implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches, so that tranches due for submission can be presented to the 58th Meeting, provided that sufficient progress has been made;
 - (d) Noting that letters should be sent to the relevant implementing agencies and applicable Article 5 countries regarding the annual tranches, which had been due for submission to the 57th Meeting, with the reasons stated for the delay (as indicated in Table 2 of document [UNEP/OzL.Pro/ExCom/57/14](#)) and to encourage implementing agencies and the relevant Article 5 Governments to take actions to expedite the implementation of the approved tranches, so that tranches due for submission can be presented to the 58th Meeting, provided that sufficient progress has been made;
 - (e) Encouraging the Governments of:
 - (i) China and India to submit their production sector requests to the 58th Meeting;
 - (ii) Costa Rica to expedite the implementation of the existing tranches of its methyl bromide phase-out plan, in order to submit the next tranche for approval as soon as possible;
 - (iii) Cote d'Ivoire and Maldives to expedite the implementation of their TPMPs in order to submit the 2009 annual tranches for review as soon as possible;
 - (iv) The Dominican Republic to submit a complete **TPMP** verification report to the 58th Meeting.
- (c) **Report on implementation of approved projects with specific reporting requirements**

Document UNEP/OzL.Pro/ExCom/57/15 consists of progress reports on the implementation of the following projects: the national phase-out plan for Afghanistan; the refrigerant management plan for Brunei Darussalam; the work plan for activities beyond 2009 for the polyurethane foam sector in China; the terminal phase-out management plan for Fiji; the complete phase-out of the use of methyl bromide in Jordan; the plan for terminal phase-out of CTC in the Democratic People's Republic of Korea; and the audit and verification report of the terminal CFC phase-out management plan for Trinidad and Tobago.

Issues to be addressed: None.

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

Afghanistan

- (a) Take note of the progress report on the implementation of the 2008 work programme of the national CFC phase-out plan (NPP) for Afghanistan;
- (b) Take note on the verification report of the 2007 CFC consumption; and
- (c) Approve the annual implementation programme for 2009-2010.

Brunei Darussalam

- (d) Take note of the progress report on the implementation of the RMP for Brunei Darussalam; and,
- (e) Take note of the annual implementation plan for 2009.

China

- (f) Approve the work plan for the foam sector in China for 2010 to 2012; and
- (g) Provide China with the flexibility as defined in decision 46/37.

Fiji

- (h) Take note of the progress report on the implementation of the terminal phase-out plan (TPMP) for Fiji; and,
- (i) Approve the annual implementation programme for 2009.

Jordan

- (j) Take note of the progress report on the implementation of the complete phase-out of the use of methyl bromide in Jordan;
- (k) Authorize for the Government of Germany the release of US \$499,930 for the fourth tranche of the project; and,
- (l) Further request the Government of Germany to continue monitoring the phase-out of methyl bromide in Jordan and regularly report back to the Executive Committee.

Democratic People's Republic of Korea

- (m) Note the progress report of the plan for terminal phase-out of CTC in Democratic People's Republic of Korea provided by UNIDO; and,
- (n) Request UNIDO to present a financial report on all disbursements so far incurred, including storage cost, to the 58th Meeting of the Executive Committee.

Trinidad and Tobago

- (o) Note the successful verification of Trinidad and Tobago's compliance with its phase-out obligations for CFC consumption under the TPMP in 2007.

9. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/57/16 and Add.1 contains six sections: an analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 57th Meeting; an assessment of the funds available against the level of funding being requested; policy issues identified during the project review process; projects and activities submitted for blanket approval; investment projects for individual consideration; and, activities and projects not required for compliance.

Issues to be addressed:

- Deferral of a multi-year agreement tranche due to low rate of disbursement for the previous tranche.

Action expected from the Executive Committee: The Executive Committee may wish to request implementing agencies not to submit for the Committee's consideration requests for funding of tranches of multi-year projects with low rates of implementation of activities initiated with previously approved tranches, and where rates of disbursement of funding available from previous tranches have been very low. This should be the practice even when the levels of consumption of the ODS under consideration are below the maximum allowable levels under the Montreal Protocol and in the Agreement between the Governments concerned and the Executive Committee.

The Committee may also wish to approve the list of project recommended for blanket approval contained in Annex I of UNEP/OzL.Pro/ExCom/57/16 and Add.1 together with the conditions or provisos included in the corresponding project evaluation sheets and the conditions attached by the Executive Committee, as well as the following:

- (a) Approval of the agreement between the Government of Botswana and the Executive Committee for the terminal phase-out management plan contained in Annex I to document UNEP/OzL.Pro/ExCom/57/26 at a total amount in principle of US \$205,000, plus agency support costs of US \$26,650 for the Government of Germany, and the first tranche for the project at the amount indicated in Annex [x] to this document;
- (b) Approval of the agreement between the Government of Equatorial Guinea and the Executive Committee for the terminal phase-out management plan contained in Annex I to document UNEP/OzL.Pro/ExCom/57/34 at a total amount in principle of US \$180,000, plus agency support costs of US \$23,400 for UNEP, and the first tranche for the project at the amount indicated in Annex [x] to this document;
- (c) Approval of the agreement between the Government of Sierra Leone and the Executive Committee for the terminal phase-out management plan contained in Annex I to document UNEP/OzL.Pro/ExCom/57/52 at a total amount in principle of US \$150,000 plus agency support costs of US \$15,950 (US \$12,350 for UNEP and

US \$3,600 for UNDP), and the first tranche for the project at the amount indicated in Annex [x] to this document; and

- (d) Approval of the observations to be communicated to recipient Governments that submitted requests for the renewal of their institutional strengthening projects as contained in relevant work programmes of the implementing agencies.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/57/17 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 2009. There are nine requests that are fully addressed in this document.

Issues to be addressed: Request of the Czech Republic for the first tranche of the project Initiating regional cooperation to enforce ODS trade controls in ECA network countries submitted jointly with UNEP.

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

- (a) Approve the project Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche) for one year only at the level of funding of US \$ 80,500 plus agency support costs of US \$10,465 for the Czech Republic, on the understanding that:
 - (i) The approval is without prejudice to future funding approvals for the remaining year proposed for this project; and,
 - (ii) In requesting funding for the second year, the Government of the Czech Republic and UNEP shall prepare a joint report on the outputs of the network's first year of operation.
- (b) Request the Treasurer to offset the costs of the bilateral projects approved at the 57th Meeting as follows:
 - (i) US \$99,440 (including agency fees) against the balance of Canada's bilateral contribution for 2009;
 - (ii) US \$90,965 (including agency fees) against the balance of the Czech Republic's bilateral contribution for 2009;
 - (iii) US \$202,367 (including agency fees) against the balance of France's bilateral contribution for 2009;
 - (iv) US \$1,748,779 (including agency fees) against the balance of Germany's bilateral contribution in 2009;
 - (v) US \$152,550 (including agency fees) against the balance of Italy's bilateral contribution in 2009.

(c) Work programmes:

(i) 2009 work programme of UNDP

Document UNEP/OzL.Pro/ExCom/57/18 contains forty-one (41) activities submitted by UNDP, including three requests for renewal of institutional strengthening projects, 24 project preparation requests in the HCFC sector, one request for TPMP verification, 4 requests for technology validation and demonstration projects, eight requests for project preparation for ODS disposal pilot projects and one request for technical assistance for resource mobilization. All the proposals except for the requests for technology validation and demonstration projects for HCFC alternatives, the requests for pilot ODS waste disposal and the resource mobilization technical assistance were recommended for blanket approval and considered under Agenda Item 9(a). The rest are for individual consideration.

Issues to be addressed:

- Requests for funding two technical assistance projects to enable the validation of the use of hydrocarbons and HFO-1234ze as replacements of HCFC in the foam sector pursuant to decision 55/43(e) and (f) in Egypt and Turkey.
- Requests for funding two demonstration projects in China to enable the technical evaluation of the use of R-410a and other alternative refrigerants as alternatives to HCFC-22 in residential heat pumps and compressors for cold storage in line with decision 55/43(e) and (f).
- Request for a technical assistance for mobilising resources to maximise climate benefits of HCFC phase-out.
- Requests for the preparation of pilot demonstration projects on ODS disposal in eight (8) countries submitted in the light of paragraph 2 of decision XX/7 of the Meeting of the Parties.

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

- (a) Whether or not to fund the requests for project preparation for technology validation for the use of hydrocarbons and HFO-1234ze as replacements of HCFC in the foam sector pursuant to decision 55/43(e) and (f) in Egypt and Turkey;
- (b) Whether or not to fund the requests for project preparation for the two demonstration projects in China in line with decisions 55/43 and decision 56/16(i);
- (c) The proposal for resource mobilisation in light of the information presented by UNDP, and in line with the discussion of Agenda item 14, Facility for additional income from loans and other sources; and

- (d) Whether or not to approve the project preparation requests for ODS disposal pilot projects for the eight countries in light of the comments by the Fund Secretariat.

(ii) 2009 work programme of UNEP

Document UNEP/OzL.Pro/ExCom/57/19 contains sixty-seven (67) activities submitted by UNEP, including 15 requests for renewal of institutional strengthening (IS) projects, 2 new IS requests, 9 proposals for new and additional funds for HPMP preparation, 22 proposals for new TPMPs, TPMP and NPP tranches, one project preparation for methyl bromide, 12 preparation requests for HPMP for PIC countries, one regional project for an enforcement network and five requests for TPMP verification. Thirty-one of these activities were recommended for blanket approval and were considered under Agenda Item 9(a). Twenty-two projects associated with phase-out plans are discussed in the relevant country project document. Fourteen other projects are for individual consideration.

Issues to be addressed:

- Requests for individual HPMP project preparation funds for 12 Pacific island countries vis-à-vis a regional approach for HPMP preparation.
- Request for project preparation for the preparation of a methyl bromide project in Guatemala, specifically for policy development, in view of the fact that an existing MB phase out plan is ongoing in the country.
- Request of the UNEP counterpart for the first tranche of the project Regional cooperation to enforce ODS trade controls in ECA Network countries submitted by the Czech Republic as a bilateral project jointly with UNEP.

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

- (a) Whether or not to approve individual project preparation requests for HPMPs for PIC in light of the comments by the Secretariat on a regional approach.
- (b) Whether or not to approve the request for project preparation for methyl bromide in Guatemala in the light of the comments by the Secretariat.
- (c) The approval of the project **Initiating regional cooperation to enforce ODS trade controls in ECA network countries (first tranche)** for one year only at the level of funding of US \$51,250 plus support costs, on the understanding that:
- (i) The approval is without prejudice to future funding approvals for the remaining year proposed for this project;
 - (ii) In requesting funding for the second year, the Government of the Czech Republic and UNEP shall prepare a joint report on the outputs of the network's first year of operation.

(iii) 2009 work programme of UNIDO

Document UNEP/OzL.Pro/ExCom/57/20 contains 27 activities submitted for funding by UNIDO including two IS project requests, one for a renewal and one new, three requests for new and additional HPMP preparation, one methyl bromide project preparation request, 2 requests for technical assistance in the solvents sector, four project preparation requests for demonstration projects for HCFC alternatives, 11 requests for pilot ODS disposal project preparation, two requests for HCFC investment activities, one request for TPMP verification, and one technical assistance for resource mobilization. All projects except for the request for the new IS for Armenia, the requests for project preparation for demonstration projects, the requests for preparation for ODS disposal project and the technical assistance for resource mobilization, have been recommended for blanket approval and considered under agenda item 9(a). The rest are for individual consideration.

Issues to be addressed:

- Request for a new IS project for Armenia, now reclassified as an Article 5 country;
- Request for project preparation for two demonstration project in China to demonstrate the use of hydrocarbons (HC) to replace HCFC-22 in the room AC manufacturing and compressor manufacturing sectors in the light of decisions 55/43(f) and 56/16(i);
- Request for project preparation for two demonstration projects in the foam sector in Indonesia to evaluate the use of cyclopentane to replace HCFC-141b in the manufacture of sandwich panels and other foam products in the light of decisions 55/13(d) and 55/43(e);
- Request for project preparation for two demonstration projects in the commercial refrigeration sector for in Uruguay submitted in line with decisions 55/13(d);
- Requests for the preparation of pilot demonstration projects on ODS disposal in eleven (11) countries submitted in the light of paragraph 2 of decision XX/7 of the Meeting of the Parties;
- Request for a technical assistance for mobilising resources to maximise climate benefits of HCFC phase-out.

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

- (a) Approving the request for Phase I of the institutional strengthening project for Armenia, for two years only, at the amount of US \$120,000 plus agency support cost of US \$9,000;
- (b) The requests for project preparation for the following two demonstration projects in China in line with decisions 55/43 (f) and decision 56/16(i):

- (i) Preparation for a demonstration project in two AC manufacturing companies in China at the amount of US \$60,000 plus agency support cost of US \$4,500;
 - (ii) Preparation for a demonstration project for one compressor manufacturing company in China at the amount of US \$30,000 plus agency support cost of US \$2,250.
- (c) Whether or not to approve the requests for **project preparation for demonstration projects in the foam sector for Indonesia** as the requests are not clearly in line with decision 55/43(e);
 - (d) Whether or not to approve the request for **project preparation for demonstration projects for the commercial refrigeration manufacturing sector in Uruguay** where the Secretariat is unable to recommend approval due to lack of information required under decision 56/16(i).
 - (e) Whether or not to approve the project preparation requests for ODS disposal pilot projects for the eleven countries in light of the comments by the Fund Secretariat;
 - (f) The proposal for resource mobilisation in light of the information presented by **UNIDO**, and in line with the discussion of Agenda item 14, Facility for additional income from loans and other sources.

(iv) 2009 work programme of the World Bank

Document UNEP/OzL.Pro/ExCom/57/21 contains nine activities submitted for funding by the World Bank including two requests for additional HPMP preparation for investment sectors, three requests for HCFC demonstration projects, three requests for pilot ODS disposal project preparation and one technical assistance for resource mobilization. Only the requests for additional HPMP preparation for the investment sectors are recommended for blanket approval and considered under agenda item 9(a). The rest are for individual consideration.

Issues to be addressed:

- Request for project preparation for three demonstration projects in China for the foam sector to evaluate technical and commercial viability of using HFC-245fa or liquid carbon dioxide as an alternative to HCFC in spray foam; the use of HC for insulation foam in water heaters; and the use of pre-blended polyols and hydrocarbons in systems houses in line with decision 54/43(e) and 56/16 (i).
- Requests for the preparation of pilot demonstration projects on ODS disposal in three countries submitted in the light of paragraph 2 of decision XX/7 of the Meeting of the Parties.
- Request for a technical assistance for mobilising resources to maximise climate benefits of HCFC phase-out.

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

consider:

- (a) Approving the requests for project preparation for three demonstration projects in China in line with decisions 55/43(e) and 56/16(i), at the amounts indicated below:
 - (i) Preparation of demonstration project for phase-out of HCFC in spray foam: US \$30,000 plus agency support cost of US \$2,250;
 - (ii) Preparation of demonstration project for phase-out of HCFC in foam insulation for water heaters: US \$30,000 plus agency support cost of US \$2,250; and,
 - (iii) Preparation of demonstration project for phase-out of HCFC for foam system house: US \$80,000 plus agency support cost of US \$6,000
- (b) Whether or not to approve the project preparation requests for ODS disposal pilot projects for **Indonesia, Mexico, and the Philippines** in the light of the comments by the Fund Secretariat.
- (c) The proposal for resource mobilisation in light of the information presented by **the World Bank**, and in line with the discussion of Agenda item 14, Facility for additional income from loans and other sources.

(d) Investment projects

Document UNEP/OzL.Pro/ExCom/57/16 **and Add.1** contains a list of five projects for individual consideration (see Table I). 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 **five** 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 | Ex/Com |
|--------------------------------|---|-----------|--|--------|
| Foam sector | | | | |
| Iraq | Conversion from CFC-11 to methylene chloride in the production of flexible slabstock foam at Al Hadi Co | UNIDO | Country programme not yet approved. | 57/38 |
| Refrigeration sector | | | | |
| Iraq | Replacement of refrigerant CFC-12 with HFC-134a and foam blowing agent CFC-11 with cyclopentane in the manufacture of domestic refrigerators and chest freezers at Light Industries Company | UNIDO | Country programme not yet approved; HFC as replacement technology. | 57/38 |
| National phase-out plan | | | | |
| Bangladesh | National ODS phase-out plan (second, third and fourth tranches) | UNDP/UNEP | CFC consumption above allowable level in Agreement. Request for three tranches | 57/23 |
| Nigeria | National CFC phase-out plan (sixth tranche) | UNDP | Clarification with agreement in 2006. | 57/46 |

| Country | Project | Agency | Issue | Ex/Com |
|------------------------------------|--|--------|------------------------------------|--------|
| Venezuela (Bolivarian Republic of) | National CFC phase-out plan: 2009 work programme | UNIDO | Compliance with agreement in 2006. | 57/55 |

Action expected from the Executive Committee: the Committee may wish to consider whether to approve each of the **five** 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

Document UNEP/OzL.Pro/ExCom/57/58 contains a country programme submitted pursuant to decision 49/20 by UNEP, on behalf of the Government of Equatorial Guinea.

Issues to be addressed: None.

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

- (a) Approve the Equatorial Guinea country programme, noting that approval of the country programme does not denote approval of the projects identified therein or their funding levels; and,
- (b) Request the Government of Equatorial Guinea to submit information annually to the Executive Committee on progress being made in the implementation of the country programme, in accordance with the decision of the Executive Committee on implementation of country programmes (UNEP/OzL.Pro/ExCom/10/40, para. 135) using the approved on-line format. The initial report covering the period 1 January 2008 to 31 December 2008 should be submitted to the Fund Secretariat no later than 1 May 2009.

11. Cost considerations surrounding the financing of HCFC phase-out (decisions 55/43(h) and 56/65)

(a) Prioritization of HCFC phase-out technologies to minimize other impacts on the environment

Document UNEP/OzL.Pro/ExCom/57/59 contains a status report on the further analysis of the ‘functional unit approach’ as a satisfactory and transparent basis for the prioritization of HCFC phase-out technologies to minimize other impacts on the environment, including on the climate as originally envisaged in decision XIX/6 of the Nineteenth Meeting of the Parties.

Issues to be addressed:

- The question to what degree it is possible, in countries without a manufacturing sector, to give priority to cost-effective projects and programmes that focus on, inter alia, substitutes and alternatives that minimize impacts on climate (**Decision XIX/6, paragraph 11(b)**); and

- The use of indicators assessing the climate impact on the country level and on the enterprise/sub-project level, and how incentives might be associated with such indicators in order to give the desired priority to projects.

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

- (a) Take note of the present document UNEP/OzL.Pro/ExCom/57/59; and
- (b) Decide to discuss issues related to the type of incentives to be associated with the indicators being developed, and other relevant questions relating to the indicators, no later than the 58th Meeting.

(b) Second-stage conversions and determination of cut-off date for installation of HCFC based manufacturing equipment

Document UNEP/OzL.Pro/ExCom/57/60 was prepared in response to decision 56/65. It presents an analysis of the outstanding issues that the Executive Committee will need to address namely, the cut-off date and second-stage conversion. It also discusses two additional issues: the starting points for aggregate reductions in HCFC consumption as stated in the HPMP guidelines, and how to account for the phase-out of HCFCs from approved projects against the consumption identified in the HPMP. The paper concludes with a set of recommendations for the Executive Committee's consideration.

Issues to be addressed:

- The options for an eligible cut-off date for installation of HCFC-based manufacturing equipment
- Providing funding for the second conversions of enterprises that were converted from CFC to HCFC technology through the Multilateral Fund
- Clarification of the following issues regarding the calculation of starting points for aggregate reductions on HCFC consumption:
 - (a) Article 5 could countries choose between the most recent reported HCFC consumption or the average of the consumption forecast for 2009 and 2010, excluding HCFC consumption from manufacturing enterprises that would not be eligible for funding as a result of the Committee's decisions on the cut-off date and second-stage conversion.
 - (b) Whether unconstrained growth of HCFC consumption in 2011 and 2012 should be allowed in the calculation of the starting point. During the phase-out of CFCs, unconstrained growth of CFCs was allowed between 1995 and July 1999 for CFC-based manufacturing enterprises that were established prior to 25 July 1995.
 - (c) Would the agreed starting points for aggregate reductions in HCFC consumption be adjusted downward in cases where calculated HCFC baselines based on reported Article 7 data are lower than the starting points.
 - (d) For those Article 5 countries that submitted projects in advance of completion of their HPMP, should starting points be established at the first submission of an HCFC demonstration and/or investment project or should they only be

established with the submission of the HPMP.

Action expected from the Executive Committee: In light of the mandate provided by the 19th Meeting of the Parties to the Montreal Protocol, and the information given above, the Executive Committee may wish to:

- (a) Consider a cut-off date for installation of HCFC-based manufacturing equipment, after which incremental costs for the conversion of such equipment would not be eligible for funding;
- (b) Consider whether or not to provide additional funding for the second conversion of enterprises that were converted from CFC to HCFC technology through the Multilateral Fund;
- (c) Clarify the issues regarding the starting points for aggregate reductions on HCFC consumption as described in paragraph 16 of document UNEP/OzL.Pro/ExCom/57/60 (presented above under “Issues to be addressed “).

12. Production sector

- (a) **Further elaboration and analysis of issues pertaining to the phase-out of HCFC production sector (decision 56/64(a) and (b))**

Document UNEP/OzL.Pro/ExCom/57/61 consists of three parts. Part I is an excerpt from the Report of the Fifty-sixth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/56/64) on the agenda item 8(a) concerning the HCFC production sector. Part II is an excerpt from the Report of the Fifty-fifth Meeting of the Executive Committee (UNEP/OzL.Pro/ExCom/55/53) on the agenda item 9(a) concerning the HCFC production sector. Part III contains a the document prepared by the Fund Secretariat, “Further Elaboration and Analysis of Issues Pertaining to the Phase-out of HCFC Production Sector (decision 53/37(g))” (UNEP/OzL.Pro/ExCom/55/45), which was submitted to the 55th Meeting of the Executive Committee. The recommendations of the Fund Secretariat are found following paragraph 48 of part III.

Issues to be addressed:

- Cut -off dates for funding eligibility;
- Swing plants;
- Technical audits for production sector in China under its HPMP;
- An analysis of costs for production closure versus conversion to HFC-32 versus feedstock; and,
- Finalize work on elements of a future decision with respect to the HCFC production sector.

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

- (a) Maintaining paragraphs (a) to (d) of decision 19/36 for the HCFC production sector;
- (b) Continuing to calculate production costs on the basis of closure taking into account foreign ownership and export to non-Article 5 components of facilities being closed;

- (c) Encouraging the submission of a synchronized production/consumption phase-out as part of the first HPMP;
 - (d) Providing incentives for early phase-out of production facilities;
 - (e) Requiring a robust monitoring system during the control period with the verification report system used for CFC phase-out to monitor facilities that receive funding but continue to produce HCFCs for feedstock uses;
 - (f) The issues of:
 - (i) Cut-off dates; and
 - (ii) Swing plants;
 - (g) Inviting representatives of the UNFCCC Secretariat dealing with the CDM to the next Production Sector Sub-group meeting to provide information on the CDM process and its relation to HCFC production.
- (b) Summary of information publicly available on relevant elements of the operation of the clean development mechanism and the amounts of HCFC-22 production available for credits**

Document UNEP/OzL.Pro/ExCom/57/62 provides a summary of information on the operation of the Clean Development Mechanism of the Kyoto Protocol (CDM), and the amounts of HCFC-22 production available for credits as a first step (decision 56/64(c)). It presents a brief outline of HCFC production in Article 5 countries, HFC reduction projects under the CDM, and MLF funding.

Issues to be addressed: None

Action expected from the Executive Committee: The Executive Committee may wish to note the report “Summary of information publicly available on relevant elements of the operation of Clean Development Mechanism” and the amounts of HCFC-22 production available for credits as contained in UNEP/OzL.Pro/ExCom/57/62.

(c) Report of the Production Sector Sub-group

The Executive Committee decided to constitute and convene the production sector sub-group at its 57th Meeting to continue the discussion on HCFC production sector phase-out issues (decision 56/64). The production sector sub-group will provide a report to the Executive Committee during the 57th Meeting.

13. Institutional strengthening beyond 2010: funding and levels (decision 53/39)

Document UNEP/OzL.Pro/ExCom/57/63 contains a review of the current funding arrangements for institutional strengthening (IS) and capacity building for Article 5 countries and analyses the demand for continued IS support vis-à-vis existing control measures of the Montreal Protocol. It also considers the implications of decision XIX/6 of the Nineteenth Meeting of the Parties, which imposed new obligations with respect to an accelerated HCFC phase-out, and provides the Executive Committee with options for funding IS projects beyond 2010.

Issues to be addressed:

- Maintenance funding for overall institutional strengthening support at current levels;
- Re-balancing institutional strengthening support towards the provision of funding through the project management unit (PMU) established under an HPMP;
- Performance indicators.

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

- (a) Take note of the Secretariat's paper [\(document UNEP/OzL.Pro/ExCom/57/63\)](#) on review of options for possible funding arrangements and levels for institutional strengthening;
- (b) Consider agreeing to maintain funding for overall institutional strengthening support at current levels;
- (c) Consider whether it wished to request the Secretariat to examine in more detail a proposal for re-balancing institutional strengthening support towards the provision of funding through the PMU established under an HPMP;
- (d) Request the Secretariat, implementing and bilateral agencies as appropriate to include in the request for IS renewals the following indicators:
 - (i) The achievement of effective measures to control HCFC imports, as a condition for full, two-year approval of requests for renewal of institutional strengthening funding for all projects submitted after the end of 2012;
 - (ii) Specification as an objective in all IS renewal projects submitted after the end of 2009, the development of measures to ensure the long term sustainability of monitoring, enforcement and reporting activities, without ongoing support from IS funding, together with indicators for progressive achievement of this objective;
- (e) Request the Secretariat to complete the work on objectives, indicators and formats so that the results can be applied to requests for renewal of institutional strengthening projects submitted from the beginning of 2010 onwards;
- (f) Request the Secretariat to place consideration of a possible further review of funding for institutional strengthening on the agenda of the Executive Committee in the future.

14. Facility for additional income from loans and other sources (decision 55/2)

Document UNEP/OzL.Pro/ExCom/57/64 considers issues associated with a special funding facility within the Multilateral Fund. It has been written pursuant to decision 55/2 of the Executive Committee that asks the Secretariat to consider potential uses for the facility currently amounting to US \$1.2 million, for a use to be determined at the 57th Meeting, which was not part of the US \$490 million replenishment budget. It is also prepared in the context of decision XIX/6 of the Meeting of the Parties, which addresses both ozone and potential climate benefits. Because achieving climate benefits is not currently an agreed incremental cost of HCFC phase out, the purpose of the special facility could be to augment funding to cover non-agreed incremental costs associated with climate benefits, as well as other additional environmental benefits, which are not required for compliance with the Montreal Protocol. The facility could also be useful in the financing of destruction of ozone depleting substances (ODS).

Issues to be addressed: The four possible uses for a special facility:

- A special facility would make available the US \$1.2 million that is currently available to undertake pilot projects for the packaging of co-financing arrangements.
- A special facility could solicit contributions from public or private entities (on an ongoing or “one-off” basis).
- A special facility could be the basis for developing agreements with other funding agencies and bodies, through processes of parallel approval, for the implementation of projects that will provide benefits in areas over and above those required by the Montreal Protocol.
- A special facility could seek, house and manage credits for climate change benefits or ODS destruction from the global carbon markets.

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

- (a) Confirm that the funds from the special facility should be directed to achieving environmental benefits in addition to those required for compliance with the Montreal Protocol, and that any funds received by the facility should be in addition to those amounts pledged to ensure compliance with the Protocol’s control measures;
- (b) Specifically designate the funds for the first phase of the facility for the purpose of timely implementation of HCFC phase-out management plans (HPMPs) by packaging financial arrangements to maximize available resources by receiving additional contributions for the climate benefit brought by Multilateral Fund projects;
- (c) Mandate the Secretariat to put in place a resource mobilisation strategy for seeking additional sources of funding including financial and programme partnership with regional and global funding mechanisms and request the Chairman, with assistance of the Secretariat, to seek additional funds to augment those currently available for the special facility;
- (d) Request the Secretariat to continue its efforts to develop arrangements with other funding mechanisms for a parallel approval process, and the possibility of enabling funds to support parallel approval, where necessary, to be advanced to the special facility;
- (e) Request the Secretariat to continue collecting information on the possibilities for seeking, housing and managing credits for climate change benefits from the global carbon markets.

15. Reconciliation of 2006 and 2007 accounts (decision 56/67)

Document UNEP/OzL.Pro/ExCom/57/65 consists of four sections: reconciliation of the 2006 accounts; reconciliation of 2007 Accounts; 2007 adjustments required by UNDP and the Treasurer; and, recommendations.

Issues to be addressed: None

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

- (a) Take note of document on reconciliation of 2006 and 2007 accounts as contained in UNEP/OzL.Pro/ExCom/57/65;

- (b) Note that the reconciliation of 2006 and 2007 accounts has been completed for UNEP;
- (c) Note the return of US \$45,161 surplus for UNEP and request the Treasurer to offset this amount against future transfers to UNEP;
- (d) Note the World Bank explanation on the shortfall of US \$2,686,741 and request the Treasurer to return US \$1,176,270 to the Bank;
- (e) Note that follow-up actions on the 2006-2007 accounts have been completed for UNDP, UNEP and UNIDO and is pending a report to the 59th Meeting:
 - (i) from the World Bank on the amount of US \$303; and
 - (ii) on verification by the Treasurer that the amount of US \$1,510,471 had been deducted twice from the transfers that had been made to the World Bank.

16. Operation of the Executive Committee (decision 54/43)

Document UNEP/OzL.Pro/ExCom/57/66 presents a brief summary of the findings and conclusions from the previous papers prepared on the operation of the Executive Committee for the 44th, 50th and 54th Meetings. The document contains an analysis of the Executive Committee's workload over the next three years, and concludes with a set of recommendations on the arrangement of Executive Committee meetings for consideration by the Committee.

Issues to be addressed:

- Arrangements for Executive Committee meetings in terms of the number per year, their duration and the meeting calendar in light of the quantity and complexity of future workload of the Committee.

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

- (a) Maintaining the status quo of holding three meetings a year;
- (b) From 2010, holding two regular meetings with fixed schedules and maintain the possibility of having a specialised third meeting in the middle of the year if needed, and request the Secretariat to arrange such a meeting accordingly; and
- (c) From the 58th Meeting and for a trial period to be decided by the Committee, maintaining the *status quo* of meeting three times a year on a four-day format and requesting the Secretariat to arrange the meetings accordingly.

17. Report on the request from the Twentieth Meeting of the Parties to the Montreal Protocol on status of agreements to convert metered-dose inhaler manufacturing facilities in Article 5 countries and implementation of approved projects (decision XX/4)

Document UNEP/OzL.Pro/ExCom/57/67 has been prepared by the Secretariat in response to paragraph 2 of decision XX/4 of the Parties to the Montreal Protocol that requested the Fund Secretariat to report to the Open ended Working Group (OEWG) at its 29th Meeting (July 2009)

on the status of agreements to convert MDI manufacturing facilities in Article 5 countries. For the preparation of the paper, the Fund Secretariat requested relevant implementing agencies to provide a progress report on the status of implementation of MDI projects. A draft version of the paper was sent to relevant implementing agencies for their review and their comments were incorporated into the final version.

Issues to be addressed: **None.**

Action expected from the Executive Committee: The Executive Committee may wish to instruct the Secretariat to submit the report on the status of the agreements to convert metered-dose inhaler manufacturing facilities in Article 5 countries and implementation of approved projects to the 29th Meeting of the Open ended Working Group of the Parties, as requested in paragraph 2 of decision XX/4 of the 20th Meeting of the Parties to the Montreal Protocol, on the understanding that the document should be updated, in the event that further factual data on the requests for essential use nominations is officially submitted by relevant Article 5 Parties.

- 18. Other matters**
- 19. Adoption of the report**
- 20. Closure of the meeting**
