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EXECUTIVE COMMITTEE OF  
THE MULTILATERAL FUND FOR THE  
IMPLEMENTATION OF THE MONTREAL PROTOCOL  
Fifty-ninth Meeting  
Port Ghalib, Egypt, 10-14 November 2009

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

Introduction

1. The 59<sup>th</sup> Meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the International Convention Centre in Port Ghalib, Marsa Alam, Egypt, from 10 to 14 November 2009.
2. The Meeting was attended by representatives of the following countries, Members of the Executive Committee, in accordance with decision XX/22 of the Twentieth Meeting of the Parties to the Montreal Protocol:
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Australia, Belgium, Germany, Japan, Romania, Sweden (Chair) and the United States of America; and
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: the Plurinational State of Bolivia, China, the Dominican Republic (Vice-Chair), Gabon, Georgia, Namibia and Yemen.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the Meeting as observers.
4. Representatives of the Ozone Secretariat were also present.
5. The President of the Bureau of the Twenty-First Meeting of the Parties to the Montreal Protocol, the Vice-President of the Implementation Committee and the Co-Chair of the Technology and Economic Assessment Panel (TEAP) also attended.
6. Representatives of the Alliance for Responsible Atmospheric Policy, the Environmental Investigation Agency, and Greenpeace International also attended as observers.

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

7. The Meeting was opened at 10 a.m. on Tuesday, 10 November 2009, by the Chair, Mr. Husamuddin Ahmadzai (Sweden), who pointed out that it marked the end of the implementation of the business plan for 2009, as well as the end of the first year of the sixth replenishment of the Multilateral Fund for the 2009-2011 triennium. The Committee would be considering some remaining tranches of terminal phase-out management plans (TPMPs), whose approval was critical for countries to reach the 2010 phase-out commitments, as well as the implications of the decisions and negotiations of the recent Meeting of the Parties and the response expected from the Executive Committee, including the requests to: extend financial support for institutional strengthening (IS) funding beyond 2010; expedite work on the finalization of guidelines on HCFCs; review the CFC production phase-out agreements with China and India; and develop and implement a methodology to verify the climate benefits and costs associated with projects to destroy ozone-depleting substances (ODS). The Executive Committee would be required to provide guidance on the model rolling three-year phase-out plan for 2010–2012; issues identified during project review, in particular those relating to the phase out of HCFCs; and the status of compliance of Article 5 countries. It should also give urgent attention to the revised policy papers prepared by the Secretariat, which would affect the development of projects and subsequent project approvals.

8. He concluded by calling for the completion of TPMPs and national phase-out plans (NPPs), and by thanking members of the Executive Committee, the Multilateral Fund Secretariat and implementing agencies for the cooperation extended to him during his tenure as Chair of the Executive Committee.

## **AGENDA ITEM 2: ORGANIZATIONAL MATTERS**

9. The Executive Committee adopted the following agenda on the basis of the provisional agenda contained in documents UNEP/OzL.Pro/ExCom/59/1 and Add.1:

### **(a) Adoption of the agenda**

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Status of resources and planning:
  - (a) Report on balances and availability of resources;
  - (b) 2009 business plans and annual tranche submission delays;
  - (c) Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol;
  - (d) Updated model rolling three-year phase-out plan: 2010-2012 (follow-up to decision 56/5 (d)).

6. Programme implementation:
  - (a) Monitoring and evaluation:
    - (i) 2008 consolidated project completion report;
    - (ii) Report on progress on the development of multi-year agreement tables;
  - (b) Report on implementation of approved projects with specific reporting requirements.
7. Project proposals:
  - (a) Overview of issues identified during project review;
  - (b) Bilateral cooperation;
  - (c) Amendments to work programmes for 2009:
    - (i) UNDP;
    - (ii) UNEP;
    - (iii) UNIDO;
    - (iv) World Bank;
  - (d) Compliance Assistance Programme (CAP) budget for 2010;
  - (e) 2010 core unit costs for UNDP, UNIDO and the World Bank;
  - (f) Investment projects.
8. Country programmes.
9. Report of the Sub-group on the Production Sector.
10. Cost considerations surrounding the financing of HCFC phase-out:
  - (a) Prioritization of HCFC phase-out technologies to minimize other impacts on the environment (decision 57/33 and paragraph 147 of the report of the 58<sup>th</sup> Meeting of the Executive Committee);
  - (b) Analysis of new approaches on second-stage conversions, determination of cut-off date and other outstanding HCFC policy issues.
11. Institutional strengthening: Options for funding after 2010.
12. Further concept paper for a special funding facility for additional income from loans and other sources (decision 58/37).
13. Accounts of the Multilateral Fund:
  - (a) 2008 final accounts;

- (b) Reconciliation of the accounts (decisions 57/38 and 58/39).
- 14. Agreement between UNEP as Treasurer of the Multilateral Fund and the Executive Committee.
- 15. Revised 2010, 2011 and proposed 2012 budgets of the Fund Secretariat.
- 16. Other matters.
- 17. Adoption of the report.
- 18. Closure of the meeting.

10. The Executive Committee agreed to include in the discussion under agenda item 16 (Other matters) the informal document circulated on the transition of the chairmanship of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol, finalization of the dates for the 60<sup>th</sup> and 61<sup>st</sup> Meetings of the Executive Committee, the outstanding contributions of the Russian Federation to the Multilateral Fund (UNEP/OzL.Pro/ExCom/59/Inf.3), and the report on the identification of gaps in regional methyl bromide projects in Africa submitted by UNEP (UNEP/OzL.Pro/ExCom/59/Inf.4).

**(b) Organization of work**

11. The Executive Committee agreed to follow its customary procedures and to reconvene the Sub-group on the Production Sector, composed of Australia (facilitator), the Plurinational State of Bolivia, China, the Dominican Republic, Georgia, Germany, Japan, Namibia, Sweden and the United States of America.

**AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

12. The Chief Officer drew the Meeting's attention to document UNEP/OzL.Pro/ExCom/59/2, containing a report on the activities of the Secretariat since the 58<sup>th</sup> Meeting of the Executive Committee. In addition to the usual intersessional activities, the Secretariat had assisted the Chair of the Executive Committee to write to the Government of Vanuatu to convey decision 58/9(c) urging the finalization of legislation to enable approved projects to be implemented in the country. It had also posted on the intranet a working document reflecting the discussions of the contact group on outstanding HCFC policy issues during the 58<sup>th</sup> Executive Committee Meeting.

13. The Chief Officer said that the Secretariat had received 146 funding requests, 125 of which would be considered by the Committee. She drew attention to matters of particular relevance covered in the 55 documents prepared by the Secretariat, including the updated model rolling three-year phase-out plan for 2010-2012, a paper on prioritization of HCFC phase-out technologies to minimize impacts on climate, and the document on overview of issues identified during project review.

14. With regard to cooperation with other United Nations organizations, the Executive Director of UNEP had written to the Chair of the Executive Committee following the second session of the International Conference on Chemicals Management concerning the long-term financing of the strategic approach and the Fund's potential contribution to its objective. Since the Executive Committee had already responded listing the activities compatible with the Strategic Approach to International Chemicals Management (SAICM), the Secretariat would welcome guidance on how to proceed.

15. The Chief Officer said that she and various professional staff had attended several meetings since the previous Committee Meeting, as described in document UNEP/OzL.Pro/ExCom/59/2. She and the

Chair of the Committee had participated in a high-level mission to Bangladesh in October to address compliance with the Montreal Protocol, following which the Government of Bangladesh had signed an agreement with UNDP in respect of the CFC metered-dose inhaler (MDI) project, enabling funds for implementation to be disbursed. Senior Programme Officers had attended the joint network meeting of ozone officers for English- and French-speaking Africa, and had recently travelled to Jordan in connection with an HCFC demonstration project. Regrettably, the Secretariat had been able to attend only three of the seven regional network meetings that had taken place in 2009, due in part to resource constraints and the fact that a number of the meetings had taken place during the intensive preparations for Executive Committee meetings.

16. The Chief Officer advised that the recruitment process for the D1 vacancy was well under way; interviews with short-listed candidates had been held the previous week and the panel was in the process of finalizing its recommendation. The recruitment process for one of the new P3 positions had been completed, and interviews had been held for the remaining two P3 posts. The Secretariat had initiated the advertisement process for the post of Senior Monitoring and Evaluation Officer in the United Nations (UN) galaxy system and the vacancy announcement would shortly be launched in the UN system and would also be advertised in specialized journals to secure applicants with appropriate evaluation qualifications.

17. The Executive Committee took note with appreciation of the report on Secretariat activities.

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

18. The representative of the Treasurer introduced document UNEP/OzL.Pro/ExCom/59/3, which provided information on the status of the Fund as at 6 October 2009. At that date, the fund balance stood at US \$91,402,728, which was the net balance after taking into account all the funds approved by the Executive Committee up to and including the 58<sup>th</sup> Meeting. Since the document had been issued, additional cash contributions had been received from Cyprus, Portugal and the United States of America; a cheque had been received from Andorra; and the Bank of France had confirmed that the Government had deposited a promissory note towards settlement of its pledge for 2009. The total amount of new resources since issuance of the document was US \$30,104,989. Twenty-nine Parties had paid their 2009 pledges in full or in part, and three Parties had made payments towards their outstanding pre-2009 pledges.

19. Since the previous Meeting, the Fund had gained from exchange differences at the amount of US \$638,408 through the fixed-exchange-rate mechanism. The total gain since the mechanism's inception was US \$35,525,808. On the basis of the value of new promissory notes received and encashment of certain old ones, the stock of notes had declined somewhat from US \$37,830,503 at the 58<sup>th</sup> Meeting to US \$35,481,910.

20. Table 1 of the document showed that total income from cash payments, promissory notes, bilateral cooperation assistance, interest earned and miscellaneous income amounted to US \$2,562,622,684, which had subsequently increased to US \$2,592,727,674. The Fund's balance now stood at US \$121,507,718, consisting of US \$86,025,808 in cash and US \$35,481,910 in promissory notes. The promissory notes due for encashment amounted to US \$8,654,402 in 2010 and US \$3,826,829 in 2011; promissory notes for US \$23,000,679 were unscheduled for encashment.

21. After one Member had underlined the low percentage of paid contributions against pledge amounts and the need for contributing parties to expedite payment to the Fund, the representative of the Treasurer clarified that, to date, payments exceeded 70 per cent of the 2009 pledges.

22. The Executive Committee decided:

- (a) To note:
  - (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in Annex I to the present report;
  - (ii) The list of Parties that had opted to use the fixed-exchange-rate mechanism in making their contributions to the Fund during the replenishment period 2009-2011 as contained in Annex I to the present report; and
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

**(Decision 59/1)**

## **AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING**

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

23. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/4, which presented the information from bilateral and implementing agencies on balances from completed projects, the return of funds from cancelled projects, statistics for projects with balances that had been held over the allowable 12 months after completion, and a summary of obligated and unobligated balances.

24. Implementing agencies were returning US \$1,316,261 in project and support costs, which included US \$150,000 approved for the World Bank's preparation of an HCFC phase-out management plan (HPMP) in Ecuador, to be transferred to UNEP and UNIDO in equal shares. Bilateral agencies intended to return US \$201,706 in project and support costs in cash to the Fund. Of the total balance of US \$8,003,789 from completed projects, US \$7,618,602 had been obligated. The World Bank and UNDP had no unobligated funds.

25. With the balances returned from completed and cancelled projects and the additional information provided by the Treasurer in his verbal update of the Status of the Fund report (UNEP/OzL.Pro/ExCom/59/3) on the amounts of cash and promissory notes available to the Executive Committee as the total funds available for commitments at the present Meeting were US \$122,823,979. As the total being requested for funding projects at the present Meeting was US \$62,752,086, sufficient resources were available.

26. The Executive Committee decided to note:

- (a) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/59/4;
- (b) That the net level of funds being returned by the implementing agencies to the 59<sup>th</sup> Meeting was US \$874,815 against projects, comprising US \$347,295 from UNDP, US \$222,248 from UNEP, US \$155,272 from UNIDO and a return of US \$150,000 from the World Bank to be transferred to UNEP and UNIDO in equal shares;
- (c) That the net support costs being returned by the implementing agencies to the 59<sup>th</sup> Meeting were US \$441,446 against projects, comprising US \$29,396 from UNDP, US \$26,227 from UNEP, US \$14,504 from UNIDO, US \$371,319 from the World Bank from its 2008 core unit budget and the programme support costs associated with the

transfer of the HCFC phase-out management plan preparation project in Ecuador;

- (d) That the net funds and support costs of US \$201,706 being returned by bilateral agencies to the 59<sup>th</sup> Meeting comprised US \$200,945 returned by France and US \$761 from Italy, and to request the Treasurer to follow up with France and Italy on the cash transfer of those amounts;
- (e) That implementing agencies had a total balance of US \$4,880,613, excluding support costs, from projects completed more than two years previously, which comprised US \$530,378 from UNDP, US \$1,061,888 from UNEP, US \$874,893 from UNIDO and US \$2,413,454 from the World Bank; and
- (f) That Australia had balances totalling US \$78,087, Finland US \$34,022 and France US \$87,848, including support costs.

**(Decision 59/2)**

**(b) 2009 business plans and annual tranche submission delays**

27. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/59/5 and Add.1, which covered the decisions taken at the 57<sup>th</sup> Meeting with respect to the 2009-2011 business plans, at which time the Executive Committee had approved a budget of US \$113 million for the 2009 business plan of the Multilateral Fund.

28. Documents UNEP/OzL.Pro/ExCom/59/5 and Add.1 indicated that requests amounting to about US \$11.4 million more than the total amount included for them in the 2009 business plans had been submitted to the 59<sup>th</sup> Meeting. The budget was exceeded mainly because of the inclusion of projects at a value higher than in the business plans, as well as activities that had not been included in the business plans, such as HCFC investment projects, NPPs, technical assistance and HPMP/HCFC preparation activities. The information in the addendum indicated that about US \$20 million in the business plan had not been submitted and could be moved to the 2010 business plan.

29. Twenty-six annual tranches due at the 59<sup>th</sup> Meeting had not been submitted, 16 of which had not been submitted to two or more consecutive Meetings. An additional 12 annual tranches that were not for consideration by the meeting had been withdrawn because the submissions were incomplete. The Secretariat indicated that, as the World Bank had withdrawn the project for Tunisia, the words "if applicable" should be removed from the relevant recommendation. The reasons for the delays were outlined in tables 6 and 7 of document UNEP/OzL.Pro/ExCom/59/5, for which UNEP had provided the missing information. The level of annual tranches submitted to the 59<sup>th</sup> Meeting for approval was US \$1.6 million, which included potential approval of the first HCFC multi-year agreement (MYA) for the former Yugoslav Republic of Macedonia. As a result, the total level of commitments for the period 2010-2014 would be US \$110.5 million.

30. The Secretariat was requested to provide information on those projects that had not been included in the 2009 business plan of the Multilateral Fund. The representative of the Secretariat pointed out that information on whether an activity had been included in the business plan could be found in the documentation for each project proposal under agenda item 7 (Project proposals). He said that most of the delays were due to insufficient progress in implementing approved tranches or lack of completion of the required verification reports. In response to a question, the Secretariat provided the reasons reported by UNEP.

31. With respect to the recommendation concerning the Democratic People's Republic of Korea, UNEP had clarified that it had reached agreement with the World Food Programme to disburse funds for the IS and NPP tranches. It was expected that before the end of the year a minimum amount of

approximately US \$224,000 would be disbursed to the Democratic People's Republic of Korea for completed and certified activities under the IS and NPP tranches.

32. Following the discussion, the Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2009 business plans as contained in documents UNEP/OzL.Pro/ExCom/59/5 and Add.1, the fact that US \$17.85 million in activities that were required for compliance had not been submitted to the 59<sup>th</sup> Meeting and that the level of annual tranches approved at the 59<sup>th</sup> Meeting amounted to US \$2,490,376 and, as a result, the total level of commitments for the period 2010-2014 would amount to US \$109.9 million;
  - (ii) The information on annual tranches of multi-year agreements (MYAs) submitted to the Secretariat by Canada, France, UNDP, UNIDO and the World Bank, as contained in documents UNEP/OzL.Pro/ExCom/59/5 and Add.1 and provided by the Secretariat on behalf of UNEP at the Meeting;
  - (iii) That 44 of the 70 annual tranches of MYAs due for submission had been submitted on time to the 59<sup>th</sup> Meeting;
  - (iv) That letters should be sent with regard to the annual tranches, indicated in Table 1 of Annex II to the present report, that had been due for submission to the previous two Meetings, with the reasons for the delays, and encouraging bilateral and implementing agencies and the relevant Article 5 governments to expedite implementation of the approved tranches so that they could be submitted to the 60<sup>th</sup> Meeting;
  - (v) That letters should be sent with regard to the annual tranches, indicated in Table 2 of Annex II to the present report, that had been due for submission to the 59<sup>th</sup> Meeting, with the reasons for the delays, and encouraging bilateral and implementing agencies and the relevant Article 5 governments to submit those annual tranches to the 60<sup>th</sup> Meeting;
- (b) To encourage the Governments of Burundi, the Central African Republic, the Republic of the Congo, Guinea, Guinea-Bissau and Tunisia to expedite completion of the existing tranches and the Government of Kyrgyzstan to complete the verification report necessary so as to enable the next tranches of the agreements to be submitted as soon as possible; and
- (c) To request the Chair of the Executive Committee to write to the Ministry of the Environment of Antigua and Barbuda requesting expedited implementation of the CFC phase-out plan in the light of the complete phase-out of CFCs by 1 January 2010.

**(Decision 59/3)**

**(c) Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol**

33. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/6, on the status and prospects of Article 5 countries in achieving compliance. Part I of the document indicated that all but one Article 5 country had received assistance from either the Fund or the GEF or had activities in the Fund's business plan to assist them to meet all the control measures for 2010. A section on HCFCs contained the latest data on HPMP preparation, showing that all but two countries had benefited from HPMP preparation with the remaining country to receive HPMP preparation at the present meeting.



Part II showed that Article 5 countries that were subject to decisions of the Parties and recommendations of the Implementation Committee on compliance had provided the necessary information to demonstrate their compliance with the control measures.

34. Part III described the implementation of country programmes, including an analysis of ODS consumption data by sector and the characteristics of national ODS phase-out programmes. Part IV presented information on projects with implementation delays and projects for which special status reports had been requested. Part V indicated that Israel and Portugal had not submitted their 2008 progress reports. Part VI addressed web-based country programme data reporting and country profiles, showing that the system had been little used and should be reviewed.

35. With respect to the completion of the project on the development of guidelines to promote safety in aerosol conversion, the representative of UNEP indicated that it had completed the guidelines but not their translation into two languages, although that would be done by the end of 2009.

36. One Member, commenting that information in the country profiles was published on the Secretariat's web site, said that countries should be consulted before any sensitive information was made publicly available. The representative of the Secretariat indicated that that would entail communicating with over 140 countries three times a year and suggested alternatives to the proposal, including limiting the information to Executive Committee Members on the Secretariat's intranet.

37. Following the discussion, the Executive Committee decided:

(a) To note:

- (i) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, France, Germany, Italy, Japan and Sweden and the four implementing agencies addressed in document UNEP/OzL.Pro/ExCom/59/6;
- (ii) The completion of four of the 35 projects categorized as having 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 bilateral and implementing agencies as required;
- (iv) That UNEP planned to complete its project on the development of guidelines to promote safety in aerosol conversion (GLO/ARS/39/TAS/246) by the end of 2009 as only two translations of the completed document still had to be finalized;

(b) To request:

- (i) Additional status reports on the projects listed in Annex III to the present report;
- (ii) The Chair of the Executive Committee to write to the Minister of the Environment of Barbados requesting gazetting of the licensing system be expedited to enable implementation of ongoing projects for implementation of the refrigerant management plan (RMP), implemented by UNDP and UNEP (BAR/REF/43/TAS/10, 11 and 12), in the light of the impending 1 January 2010 deadline for phase-out of most ODS;
- (iii) The Governments of Israel and Portugal to provide their progress reports to the 60<sup>th</sup> Meeting of the Executive Committee;

- (iv) The Secretariat to provide information to the 62<sup>nd</sup> Meeting on use of web-based country programme implementation data and country profile systems to enable a review of their continued utility;
  - (v) That information on country profiles should only be on the Secretariat's intranet and that public access should be limited to Executive Committee Members;
- (c) To encourage:
- (i) Implementing agencies and the Governments of Botswana and Somalia to submit requests for HCFC phase-out management plan preparation as soon as possible to facilitate their efforts to meet the 2013 freeze and 2015 reductions in HCFC consumption;
  - (ii) The Government of Ethiopia to finalize ODS regulations in order to complete implementation of the country's RMP, implemented by France (ETH/REF/44/TAS/14);
  - (iii) The Government of Ethiopia to implement a ban on the import of virgin halon to ensure compliance with the 1 January 2010 ban on the import and export of halons to Article 5 countries in the light of the impending completion of the halon bank for Eastern and Southern African countries (including Ethiopia), implemented by Germany (AFR/HAL/35/TAS/29);
  - (iv) Expedited completion of the licensing system in Eritrea in order to initiate the terminal phase-out management plan, implemented by UNIDO (ERI/PHA/54/INV/05);
- (d) To note:
- (i) That the recovery and recycling project in Morocco (MOR/REF/23/TAS/17), implemented by France, had been reassessed, and the planned completion date was 30 April 2010;
  - (ii) The intention of the Government of Sri Lanka to use the balance of funds for its incentive programme for milk chilling tank retrofits (SRL/PHA/43/TAS/26), implemented by Japan, and to complete the project by 31 December 2010;
  - (iii) That UNIDO planned to submit a business plan to the 60<sup>th</sup> Meeting to allow implementation of the halon banking project in the Libyan Arab Jamahiriya (LIB/HAL/47/TAS/26);
- (e) That project preparation funds approved at the 55<sup>th</sup> Meeting for the preparation of HCFC production phase-out projects in China implemented by the World Bank (CPR/PHA/55/PRP/467), could be used to assist China in submitting preliminary data on the production sector in order to request the Secretariat to undertake a technical audit; and
- (f) To urge Bosnia and Herzegovina to expedite a value-added tax exemption to facilitate bidding for and the delivery of equipment for the halon banking project implemented by UNIDO (BHE/HAL/42/TAS/18), in the light of the impending 1 January 2010 phase-out of halons.

**(Decision 59/4)**

**(d) Updated model rolling three-year phase-out plan: 2010-2012 (follow-up to decision 56/5(d))**

38. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/7, which contained the model rolling three-year phase-out plan for the Fund for 2010-2012. It included an analysis of the amounts of ODS to be phased out for which funding would be required in order to enable all

Article 5 countries to achieve compliance with the phase-out targets, and indicated the ODS to be phased out in approved projects during the period 2010-2012. The paper also addressed the request of the Committee to prepare a strategic analysis on how equitably to allocate in the agencies' 2010 and 2011 business plans funds for all eligible Article 5 countries to enable them to comply with the HCFC 2013 freeze and the 10 per cent reduction in 2015, within the limits of available resources.

39. The compliance-oriented model presented a thorough analysis of HCFC consumption based on Article 7 data for 2000-2008, and indicated the HCFC consumption reduction levels required to meet the HCFC phase-out targets. The HCFC consumption forecast was based on very limited information and several assumptions; once additional information was made available through HPMPs, the estimated HCFC baselines could be recalculated.

40. Following the discussion, the Executive Committee decided:

- (a) To adopt the 2010-2012 model rolling three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium, noting the significant uncertainty with regard to the amount of HCFC consumption to be addressed during this period;
- (b) To urge Article 5 countries with approved but not implemented projects, and the relevant bilateral and implementing agencies, to accelerate the pace of implementation during the 2010-2012 triennium;
- (c) To urge bilateral and implementing agencies to work with those countries that had been identified as being in need of immediate assistance to meet the 2010 Montreal Protocol phase-out targets, and to include activities in their 2010 business plans as appropriate;
- (d) To request the Secretariat to present an updated model rolling three-year phase-out plan for the years 2011-2013 to the last Meeting of the Executive Committee in 2010 to provide guidance, as relevant, for the preparation of the 2011-2013 business plan of the Multilateral Fund; and
- (e) To note that:
  - (i) Some 17,704 ODP tonnes of ODS consumption and 6,018 ODP tonnes of ODS production had yet to be phased out in approved multi-year sectoral and national phase out plans during the remainder of 2009 and in the 2010-2012 triennium;
  - (ii) Some 19,780 ODP tonnes of ODS consumption had yet to be phased out in approved individual or umbrella projects (on the basis of the progress report submitted by bilateral and implementing agencies to the 58<sup>th</sup> Meeting of the Executive Committee);
  - (iii) Three refrigerant management plan projects for low-volume-consuming (LVC) countries approved in accordance with decision 31/48 (e.g., to achieve the 2005 and 2007 CFC phase-out targets on time); 98 terminal phase-out management plans for LVC countries; 41 national ODS phase-out plans for non-LVC countries; and 12 phase-out plans in the production sector in seven non-LVC countries were currently being implemented.

**(Decision 59/5)**

## **AGENDA ITEM 6: PROGRAMME IMPLEMENTATION**

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

#### **(i) 2009 consolidated project completion report**

41. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/59/8 and Add.1, providing the Executive Committee with an overview of the results reported in the project completion reports (PCRs) received since the 56<sup>th</sup> Meeting. Updating the figures in the report, he said that the total number of PCRs received for investment projects in the year 2009 had decreased to 23 (compared to 32 in 2008), while the total number of PCRs still due on completed investment projects had decreased from 31 to 21. For non-investment projects, the number of PCRs received in 2009 had increased from 69 to 78 and the number of outstanding PCRs had increased from 104 to 106. A specific section of the report analysed relevant lessons learned through the PCRs, and a list of selected lessons learned was reproduced in Annex II to document UNEP/OzL.Pro/ExCom/59/8; the full list was available on request and on the intranet of the Fund Secretariat.

42. The Executive Committee decided:

- (a) To take note of the 2009 consolidated project completion report, including the schedule for submission of project completion reports (PCRs) due and the lessons learned contained in Annex II to document UNEP/OzL.Pro/ExCom/59/8;
- (b) To request the implementing agencies and bilateral agencies concerned:
  - (i) In cooperation with the Fund Secretariat, to establish full consistency of data reported in the PCRs in the inventory and in the annual progress reports by the end of January 2010;
  - (ii) To provide the information still missing in a number of PCRs by the end of January 2010;
  - (iii) To clear the backlog of PCRs on projects completed before the end of 2006 by the end of January 2010;
- (c) To request that the Senior Monitoring and Evaluation Officer, when recruited, address the issue of development of a completion report format for completed multi-year agreement projects as a matter of priority; and
- (d) To invite all those involved in the preparation and implementation of projects to take into consideration the lessons learned from PCRs when preparing and implementing future projects.

**(Decision 59/6)**

#### **(ii) Report on progress on the development of multi-year agreement tables**

43. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/9, which explained that, based on decisions 50/9, 51/13 and 53/8, the Senior Monitoring and Evaluation Officer had started to develop reporting formats for MYA tables in close cooperation with senior officers in the Secretariat. Those tables had been transferred to an internet-based system for online data entry. When the former Senior Monitoring and Evaluation Officer left his post, a senior officer from the Secretariat had taken over the related tasks and continued the development. The current online database was used for all submissions of MYA CFC phase-out projects. Further work was needed before the database became fully

functional, and the current MYA online database modified to accommodate HPMPs. The proposed decision suggested accelerated development of the tools for HPMP monitoring, including deadlines, and reporting back to the Executive Committee at its 63<sup>rd</sup> Meeting; an associated budget of US \$60,000 was also recommended to cover the costs of a programmer and a new server with requisite software.

44. Several Members expressed approval of the database development and considered that the amount of US \$60,000 requested for the purchase of hardware and software, programming of the database and related work should come out of unused balances in other budget lines of the Secretariat's budget. One Member sought clarification as to the frequency of version updates that might be necessary and estimates of operational maintenance costs.

45. The representative of the Secretariat said that, while the basic database software had been updated from the Secretariat's regular budget, programme costs were required for the large amount of programming needed to adapt the database to cover HPMPs. No major additional needs were anticipated in respect of upgrades in the near or medium-term future.

46. Another representative of the Secretariat explained that the Secretariat's budget for hardware and software was not more than US \$25,000 per year; the one-off request for US \$60,000 would therefore have to be approved from outside the Secretariat's budget.

47. Following the discussion, the Executive Committee decided:

- (a) To take note of the report on progress on the development of multi-year agreement (MYA) tables contained in document UNEP/OzL.Pro/ExCom/59/9;
- (b) To request the Secretariat:
  - (i) To carry out the work necessary to enable use of the MYA tables through an online database for HCFC phase-out management plans (HPMPs), with the aim of receiving online submissions of MYA tables for new HPMPs with effect from April 2010 and subsequent tranche submissions for HPMPs from September 2010;
  - (ii) To improve further the usability of the software for the bilateral and implementing agencies, as well as the Secretariat, through improvements in data entry, compatibility, assessment and output formats;
  - (iii) To report to the Executive Committee at its 63<sup>rd</sup> Meeting on the progress made; and
- (c) To provide a budget of US \$60,000 for the purchase of hardware and software needed, the programming of the database and related work to accomplish the tasks indicated in subparagraph (b) above.

**(Decision 59/7)**

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

48. Introducing the item, the representative of the Secretariat said that document UNEP/OzL.Pro/ExCom/59/10 consisted of progress reports on the implementation of projects for China, Colombia, India, the Libyan Arab Jamahiriya, Romania, the Bolivarian Republic of Venezuela and Yemen. It also contained progress reports on the implementation of: chiller projects for Brazil, Colombia, Cuba, and the Syrian Arab Republic; the global chiller replacement project; and chiller projects for the

regions of Africa, Europe, and Latin America and the Caribbean. The Secretariat was asking the Executive Committee to examine two issues: the possibility of using unallocated funds in the CFC production sector phase-out plan in China for new non-ODS production facilities, and the proposed extension of the deadline for the complete phase-out of methyl bromide in the Libyan Arab Jamahiriya from 2010 to 2012 owing to difficulties experienced with the introduction and adaptation of alternative technology in the country.

49. In the ensuing discussion, concern was expressed about the proposed uses for unallocated funds in the CFC production sector phase-out plan for China for new non-ODS production facilities. There were also issues raised about the halon production and consumption phase-out programme in China in view of possible implications for Article 7 reporting with respect to the level of emissions related to the use of halon 1301 as feedstock for the production of the pesticide Friponil without the incineration systems used to minimize such emissions.

50. Regarding the chiller projects, it was stressed that solutions for such projects should not only be cost-effective but also sustainable in the long term and, in accordance with decision XIX/6 of the Nineteenth Meeting of the Parties, minimize environmental impacts, in particular impacts on climate.

51. Following the discussion, the Executive Committee decided:

- (a) To note document UNEP/OzL.Pro/ExCom/59/10 on the implementation of approved projects with specific reporting requirements;
- (b) With regard to China:
  - (i) To note the submission of the independent financial audit of the account for the sector plan for phase-out of CFC-11 in the foam sector;
  - (ii) To approve the reporting format used for future reporting for the foam sector plan under decision 56/13;
  - (iii) To request the Government of China and the World Bank:
    - a. To carry out, in an expeditious manner, a technical study to determine the level of halon 1301 emission through tail gas emissions resulting from the production of Friponil without incineration systems;
    - b. To identify environmentally and economically sound measures to address such tail gas emissions;
    - c. To report thereon to the Executive Committee at its 62<sup>nd</sup> Meeting;
  - (iv) To note that the Government of China had agreed to provide the Executive Committee with information on the use of any funds remaining from the sector plan for CFC production phase-out for new non-ODS production facilities for review in advance of the release of any funding for such activities;
- (c) With regard to Colombia:
  - (i) To note the progress report on the implementation of the national CFC phase-out plan, covering the 2008-2009 period;
  - (ii) To approve the annual implementation programme for 2010;

- (d) With regard to India:
- (i) To take note of the verification report submitted by the World Bank pursuant to decision 58/35 regarding the CTC phase-out plan for the consumption and production sectors;
  - (ii) To note that the Secretariat had found the verification provided by the World Bank sufficient and that it had communicated to the World Bank that it could consequently commence disbursement of the funds approved at the 58<sup>th</sup> Meeting;
- (e) With regard to the Libyan Arab Jamahiriya:
- (i) To approve the following revised schedule for the phase-out of methyl bromide in horticulture (tomatoes, cucumbers, peppers and others):

Year	Maximum level of MB consumption (ODP tonnes)	
	Original	Revised
2006	96.0	96.0
2007	75.0	75.0
2008	55.0	55.0
2009	30.0	30.0
2010	-	30.0
2011		25.0
2012		-

- (ii) To revise its agreement with the Libyan Arab Jamahiriya accordingly;
- (f) With regard to Romania, to note that Romania had submitted verification of CTC production showing its compliance with the Agreement between Romania and the Executive Committee for all years up to and including 2008;
- (g) With regard to the Bolivarian Republic of Venezuela, to note the 2009 annual work programme for the CFC production phase-out plan in the Bolivarian Republic of Venezuela;
- (h) With regard to Yemen, to note the progress report on the implementation of the terminal phase-out of methyl bromide for Yemen covering the 2009 period;
- (i) With regard to the following chiller projects:

Brazil: Progress report on the demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers

Colombia: Progress report on the demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers

Cuba: Progress report on the demonstration project for integrated management of the centrifugal chiller sub-sector, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers

Syrian Arab Republic: Progress report on the demonstration project on the replacement of CFC centrifugal chillers

Global: Progress report on the global chiller replacement project (China, India, Indonesia, Jordan, Malaysia, Philippines, and Tunisia)

Region – Africa: Progress report on the strategic demonstration project for accelerated conversion of CFC chillers in six African countries (Cameroon, Egypt, Namibia, Nigeria, Senegal and Sudan)

Region – Europe: Progress report on the demonstration project on the replacement of CFC centrifugal chillers (Croatia, Montenegro, Romania, Serbia and the former Yugoslav Republic of Macedonia)

Region – Latin America and the Caribbean: Demonstration project for integrated management of the centrifugal chiller sub-sector in the Caribbean, focusing on application of energy-efficient CFC-free technologies for replacement of CFC-based chillers

- (i) To note the report on progress made in all chiller projects provided in document UNEP/OzL.Pro/ExCom/59/10;
- (ii) To commend UNDP and the World Bank for their successful and ongoing efforts to secure co-financing at levels significantly greater than the funding originally provided by the Multilateral Fund;
- (iii) To commend the Governments of Canada, France, Germany and Japan, and UNDP, UNIDO and the World Bank, for broadening the implementation activities beyond the issue of ozone protection and into climate change by addressing energy efficiency in their programmes and for using significant external funds for achieving both objectives in one activity; and
- (iv) To request the Secretariat to submit another report on progress achieved in chiller projects to the Executive Committee at its 62<sup>nd</sup> Meeting.

**(Decision 59/8)**

## **AGENDA ITEM 7: PROJECT PROPOSALS**

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

52. The Chair said that the overview of issues identified during project review (UNEP/OzL.Pro/ExCom/59/11) summarized the projects and activities submitted to the 59<sup>th</sup> Meeting. It presented 10 policy issues that had been identified during project review and gave lists of projects and activities submitted for blanket approval, investment projects for individual consideration and activities not required for compliance.

#### *Confidentiality of HCFC data reported under Article 7*

53. The representative of the Secretariat said that the policy issue was the confidentiality of HCFC data under Article 7, but that the issue had been resolved with the assistance of the Executive Secretary of the Ozone Secretariat.



54. Subsequently, the Executive Committee noted that the Ozone Secretariat would share with the Fund Secretariat the disaggregated HCFC data that Parties had submitted to the Ozone Secretariat without confidentiality requirements for its unrestricted use as needed.

*HCFC demonstration projects that had been removed from business plans*

55. The representative of the Secretariat drew attention to the policy issue relating to HCFC demonstration projects that had been removed from the 2009-2011 business plans. The Government of Japan and UNDP had submitted two demonstration projects: one for validation of supercritical CO<sub>2</sub> in spray foams and the other for validation of HFO-1234ze in extruded polystyrene foam. Additionally, UNDP and UNIDO had submitted four requests for the preparation of HCFC demonstration projects in China.

56. In determining the eligibility of the two demonstration projects submitted by Japan and UNDP, the Secretariat had taken into consideration decision 57/6 on the removal of all HCFC foam demonstration projects from the business plans. As the two demonstration projects were not eligible, the Secretariat had suggested that they should be either withdrawn or resubmitted to the present Meeting as investment projects. The projects had subsequently been withdrawn. With regard to the requests for preparation of HCFC demonstration projects, UNDP and UNIDO had been asked to resubmit them as part of their respective 2010-2012 business plans, if agreed by the Executive Committee.

57. Several Members indicated that, as demonstration projects were necessary to control the growth of sectors for which substitution techniques were not available, a way must be found to conform to the rules of the Multilateral Fund in that respect. Article 5 countries needed the economic and technical details of alternative technology in order to submit projects. Other Members considered that demonstration projects might be approved on an exceptional basis if they would improve technical competence.

58. One Member, noting that the proposals for some of the projects under consideration did not provide all the necessary information, said that the existing guidelines should be respected. Once the information became available, the projects could be reconsidered. If projects did not fulfil the requirements for HCFC demonstration projects, including the new alternative technology and/or new information requirements, they should be classified as investment projects and submitted in accordance with decision 54/39.

59. The representative of an environmental non-governmental organization raised concern about the increasing use of tetrafluoropropene (HFO), which had not yet been tested according to the precautionary principle. The Multilateral Fund should be used not for such testing but to assist countries in meeting their obligations under the Montreal Protocol.

60. Following the discussion, the Executive Committee decided to allow additional HCFC projects that demonstrated alternative or new technology and that could provide the information required by decision 55/43 to be included in the 2010 business plans of the bilateral and implementing agencies. This also covered demonstration projects to determine the effectiveness of low-global warming potential (GWP) alternatives to HCFCs in the air conditioning and refrigeration sector in high ambient temperature areas in Article 5 countries, as requested in decision XXI/9 of the Twenty-First Meeting of the Parties.

**(Decision 59/9)**

*Project preparation requests for ODS disposal pilot projects*

61. The representative of the Secretariat said that the policy issue concerned requests for preparation of 13 ODS disposal pilot projects that had been submitted to the Meeting. In reviewing the proposals, the

Secretariat had found that not all of them were from countries on the priority list agreed by the Committee at its 57<sup>th</sup> Meeting, and only six met the information requirements of decision 58/19. In discussions with the agencies, the Secretariat had noted that it had proved difficult to obtain the data required by the guidelines in the time available.

62. One Member, noting that one of the criteria for including pilot ODS disposal projects was regional distribution and representation, proposed that UNIDO include ODS disposal projects for Africa and West Asia in its 2010 business plan. In addition, she urged UNIDO to explore innovative approaches to co-financing.

63. Following the discussion, the Executive Committee decided to request UNIDO to submit two additional project preparation requests for ODS disposal pilot projects, one for Africa and one for West Asia, in line with decision 58/19, as part of their business plan for 2010.

**(Decision 59/10)**

*Prioritization in the phase-out of HCFCs*

64. The representative of the Secretariat said that decision XIX/6 of the Nineteenth Meeting of the Parties established funding priorities for HCFC phase-out projects to be approved by the Executive Committee, one of them being to phase out HCFCs with higher ODP first, taking into account national circumstances. Noting that countries predominantly consumed HCFC-22 and HCFC-141b, and that the latter had twice the ODP of the former, he said that although the Parties had advised the Executive Committee to phase out HCFCs with a higher ODP first, national circumstances could lead to phasing out those with a lower ODP, as explained in paragraph 17 of document UNEP/OzL.Pro/ExCom/59/11.

65. On the one hand, some Members considered that the Executive Committee should not take a hasty decision on such a complex issue; prioritization needed to take account of ODP values and GWP values, the level of emissions of ODS, the availability of alternative technologies and related costs, and sectors that were of overriding importance in individual countries. It was also stated that the matter should be left to the countries to decide and not to the Executive Committee. On the other hand, the Secretariat's suggestions were helpful in meeting the requirements of decision XIX/6, specifically its paragraph 11(a). One Member considered that the Secretariat's suggestions would help to provide a basis for the Executive Committee in its deliberations on HPMPs and would give guidance to the countries and the bilateral and implementing agencies on how to draw up HPMPs in the light of HCFC-141b consumption. A decision should not be deferred and any failure to take action would result in the intent of decision XIX/6 not being met.

66. A contact group was established, consisting of the representatives of Australia, the Plurinational State of Bolivia (convenor), the Dominican Republic, Georgia, Sweden and the United States of America, with assistance from the Fund Secretariat.

67. After hearing the report from the convenor of the contact group, the Executive Committee decided:

- (a) To request bilateral and implementing agencies to submit, as a priority, HCFC-141b phase-out projects to enable compliance with the reductions in consumption for the years 2013 and 2015, in accordance with decision XIX/6, paragraph 11(a), of the Nineteenth Meeting of the Parties; and

- (b) To consider HCFC consumption phase-out projects for HCFCs with ODP lower than HCFC-141b, where national circumstances and priorities required their submission, in order to comply with the 2013 and 2015 control measures.

**(Decision 59/11)**

*Consumption arising from HCFC-141b contained in pre-blended foam chemicals (polyols)*

68. The representative of the Secretariat said that the issue related to the consumption of HCFC-141b contained in pre-blended polyols for foam, i.e. in a mixture of several chemicals with HCFC-141b that was blended centrally and then distributed to different sites, as compared to other cases where the blending with HCFC-141b would occur only on site. Two proposals for the phase-out of such consumption had been submitted by two countries where HCFC-141b imported as part of pre-blended polyols was used as a blowing agent and was not recorded as consumption as per the Montreal Protocol's definition. In both cases, the amount of HCFC-141b to be phased out from the projects was higher than the actual reported consumption.

69. When consulted, the Ozone Secretariat had indicated that it was not possible to determine whether Parties included pre-mixed polyols in their reported Article 7 data. When India's uses of polyols containing CFC-11 had been discussed in 2000, neither the members of the Implementation Committee nor the Twelfth Meeting of the Parties had agreed to treat such uses as consumption. In the past, however, the Executive Committee had approved funding for the phase-out of CFC-11 contained in pre-blended polyols. As explained in paragraph 22 of document UNEP/OzL.Pro/ExCom/59/11, the issue of not reporting ODS contained in pre-blended polyols, which was likely to occur in a number of Article 5 countries, would be more relevant in relation to HCFC phase-out than for the phase-out of CFCs. The issues to consider were those of equity, transparency and reporting.

70. One Member said that in his country use of pre-blended polyols had been recorded, even though reporting was in his view not required, and that information had been sent to the Ozone Secretariat. Another Member reiterated that the eligibility of a country for funding was in question if it did not report consumption of such blowing agents, and suggested that the question be referred to the Parties. The priority was to help countries convert systems houses as an effective way to address use of HCFCs in the foam sector.

71. The representative of the Secretariat said that the situation became more complicated when the systems house and the users were in different countries, which might or might not be the case in different Article 5 countries. As taking the number of tonnes of HCFC-141b in imported pre-blended polyols into account with regard to compliance would not help a country to achieve its 2013-2015 targets, it was proposed that that reduction should not be considered in relation to the 2013-2015 targets, and the country would then continue to receive assistance to meet those targets through other sectors.

72. One Member said that pure HCFCs and pre-blended polyols were imported under different customs tariffs, and the latter products were not specified by blowing agent. Another Member said that a country should not be penalized for non-existent consumption: HCFCs in a pre-mixed product should not be discounted from the amount of HCFCs eligible for funding. A number of Members suggested that projects for the phasing out of HCFC-141b in polyols should be supported only when HCFC-141b use was reported as part of Article 7 data. The representative of the Ozone Secretariat said that a similar issue has been discussed by the Twelfth Meeting of the Parties.

73. A Member raised the problem of an Article 5 country in which a producer and exporter of pre-blended foam chemicals was financed under foreign ownership. The contact group established to consider the issue of Prioritization in the phase-out of HCFCs was requested to address this issue as well.

74. After hearing the report of the contact group, the Executive Committee decided:
- (a) To request the Fund Secretariat, in consultation with the Ozone Secretariat, to prepare for the 61<sup>st</sup> Meeting a brief discussion paper outlining the implications for Article 5 Parties and the Multilateral Fund associated with the import and export of HCFC-based pre-blended polyols, taking into account all relevant decisions by Meetings of the Parties and the Executive Committee, and outlining the policy issues and their related technical and economic implications requiring consideration by the Committee;
  - (b) To request bilateral and implementing agencies to provide the Secretariat, before 31 March 2010, with any information collected during the preparation of HPMPs or otherwise related to the production, export, import, and/or use of pre-blended polyols containing HCFCs; and
  - (c) To request bilateral and implementing agencies not to submit additional projects for the phase-out of HCFCs contained in imported pre-blended polyols beyond those submitted to the present Meeting until the eligibility of such projects had been decided by the Executive Committee.

**(Decision 59/12)**

*Eligibility of measures to improve the climate impact of the conversion*

75. The representative of the Secretariat said that the issue of eligibility of measures to improve the climate impact of the conversion from HCFCs had arisen from a project proposal for the conversion of an air-conditioning manufacturing plant in Jordan (UNEP/OzL.Pro/ExCom/59/36). The proposal included modifications to equipment components that, at least in part, seemed unrelated to the alternative refrigerant, but instead pertained to a desire to improve energy efficiency and thus the climate impact. What remained unclear was the degree to which those costs were eligible for funding by the Multilateral Fund. He recalled that the Twenty-First Meeting of the Parties had taken decision XXI/9 on HCFCs and environmentally sound alternatives, which requested the Executive Committee, “when developing and applying funding criteria for projects and programmes regarding in particular the phase-out of HCFCs,... to consider providing additional funding and/or incentives for additional climate benefits where appropriate...[and] to take into account, when considering the cost-effectiveness of projects and programmes, the need for climate benefit”. The Secretariat believed it necessary to address a number of complex factors such as the environmental, and operational and financial consequences of the proposed modifications in a document to be prepared for the next meeting.

76. In response to a proposal that any examination of the issue of eligibility should also address the choice of alternative substance, it was pointed out that the matter would be discussed in the context of agenda item 10(a), Prioritization of HCFC phase-out technologies to minimize other impacts on the environment. It would therefore be better to restrict the scope of the document simply to energy efficiency.

77. It was pointed out that conversions for the purposes of energy efficiency might also be eligible for funding under the Clean Development Mechanism (CDM), and the possibility of double funding would therefore exist. Furthermore, there were implications regarding the intended use of the equipment as it would have a bearing on the energy-efficiency credits available. Any future Secretariat document should examine all such issues.

78. One member suggested that the matter should address the improvement of energy efficiency beyond the typical one of equipment already produced containing HCFCs and that it be referred to as energy efficiency instead of climate impact.

79. The representative of an environmental non-governmental organization stressed the importance of finding low-GWP, energy-efficient solutions to HCFC phase-out that were environmentally sustainable in the long term. He urged the Executive Committee to give priority to funding projects that developed or demonstrated the viability of HFC-free technology and, in that respect, not to approve the chiller component of the Jordan proposal.

80. Following a discussion, the Executive Committee decided:

- (a) To consider the issue of eligibility of measures to improve the climate impact of the conversion from HCFCs at its 60<sup>th</sup> Meeting; and
- (b) To request the Secretariat to prepare a document for the 60<sup>th</sup> Meeting providing information regarding the relevant aspects of component upgrade in HCFC conversion projects.

**(Decision 59/13)**

*Cost for conversion of component manufacturing vs. incremental operating cost*

81. The representative of the Secretariat, introducing the issue, said that the project for the conversion of HCFC-based air-conditioning equipment in Jordan, which had been submitted to the present Meeting contained substantial incremental capital costs for conversion of one component of the air-conditioning unit, the heat exchangers. Should the Executive Committee decide to fund that conversion, it might subsequently lead to such manufacturers of components generally being eligible. Alternatively, such costs could be covered by incremental operating costs. Providing funding for conversion of component manufacturers would only avoid double funding for such components if they were not taken into account when determining the incremental operating cost. A similar issue had been discussed in the past when the question had been whether to fund operating costs for compressors or to fund the conversion of the compressor manufacturers. At that time, the Committee (decision 26/36) had differentiated between countries that had both component and equipment manufacturers, where equipment manufacturers would not receive incremental operating costs if component manufacturers were given conversion funding, and countries that had only equipment manufacturers, where incremental operating costs would be paid. In the 11 years since the adoption of decision 26/36, the global exchange of goods had increased dramatically and it was no longer possible to avoid double funding on the basis of national borders.

82. In addition, the predominant share of component of manufacturing for air-conditioning equipment was now located in Article 5 countries. Accordingly, the Committee might wish to consider the recommendations presented in paragraph 30 of document UNEP/OzL.Pro/ExCom/59/11, where it was given a choice between subparagraphs (a) to (d) on the one hand and subparagraph (e) on the other, both offering a possibility of rectifying issues arising out of the conceptual mixture, as set out in decision 26/36.

83. Several Members spoke in support of the Secretariat's first option, to fund component manufacturers and to exclude downstream funding, arguing that in many ways the existing guidelines no longer applied and might not serve well in the future. Others felt that it was important to avoid the risk of duplication and that the criteria should not be changed.

84. Following a discussion on the appropriateness and feasibility of cost for conversion of component manufacturing vs. incremental operating cost being referred to one or other of the contact groups, the Executive Committee decided to defer it for consideration at its 60<sup>th</sup> Meeting.

**(Decision 59/14)**

*Basis for calculation of export to non-Article 5 countries*

85. The representative of the Secretariat, recalled that, under the existing guidelines, it was not obvious whether the number of units, their commercial value or the HCFC content should be used to determine the share of export. In the Secretariat's view, the best way to determine the share of export to non-Article 5 countries was to account for the amount of ODS in exported units or, if exported empty, to account for them on the basis of the design charge. He drew attention to the recommendations contained in paragraph 34 of document UNEP/OzL.Pro/ExCom/59/11 in that regard.

86. One Member suggested that the recommendations should apply to specific projects only in view of the difficulty of obtaining the relevant information, while another called for items sent to national distributors prior to export also to be taken into account. The contact group set up to discuss the issue of Prioritization in the phase-out of HCFCs was requested to address this issue as well.

87. After hearing the report of the contact group, the Executive Committee decided to determine the share of the production exported to non-Article 5 countries either:

(a) By applying the related decision in document UNEP/OzL.Pro/ExCom/15/45, paragraphs 146 and 147, on an enterprise basis, by:

(i) Using the amount of ODS contained in units that had already been charged when shipped; and

(ii) Using the design ODS charge for units designed to be filled with an ODS but shipped empty;

or

(b) By determining the share of exports on a sectoral basis, if the sector size was sufficient to warrant such a sectoral approach.

**(Decision 59/15)**

*Preliminary template for draft agreements for HPMPs*

88. The representative of the Secretariat said that the approved guidelines for HPMPs specified that, like TPMPs and NPPs, HPMPs should be performance-based, i.e. there should be an agreement between the government concerned and the Executive Committee and it should contain performance targets. The Secretariat had prepared a preliminary template for a draft agreement (contained in Annex 1 to document UNEP/OzL.Pro/ExCom/59/11) as part of its review of the HPMP submitted to the present Meeting by the former Yugoslav Republic of Macedonia, on the basis of the templates for agreements on NPPs and TPMPs, incorporating some improvements in the light of experience gained in the implementation of such agreements.

89. The preliminary template was intended to be a starting point for the future development of a template for draft agreements and a means of helping Article 5 Parties to prepare agreements that conformed to the requirements of the Executive Committee. It was in no way intended to be prescriptive since each country could adapt it to its particular needs, including clauses on IS as appropriate. Several representatives of implementing agencies said that such a template would be extremely useful to them.

90. In response to a question on the urgency of taking a decision on the matter, the representative of the Secretariat said that, if a similar basic structure was agreed for all such agreements then it would be easier for the Secretariat to identify issues specific to a particular agreement requiring the attention of the Executive Committee. It would facilitate consideration of HPMPs and could speed up the process in the

Executive Committee considerably in the event that a large number of HPMPs were submitted to the next Meeting.

91. It was suggested that the draft agreement contain a clause in which the country confirmed its continued commitment to meeting all existing obligations with regard to the phase-out of relevant ODS. It was therefore proposed that the former Yugoslav Republic of Macedonia includes such a clause in its draft agreement. After consultations with the representative of Georgia, on behalf of the former Yugoslav Republic of Macedonia, and UNIDO as implementing agency, the representative of the Secretariat informed the Meeting that the agreement between the Executive Committee and the Government of the former Yugoslav Republic of Macedonia would be amended accordingly. He suggested that the proposal to amend the preliminary template in that respect and any other comments be submitted in writing to the Secretariat so that it could produce a revised version incorporating such comments for consideration at a future Meeting.

92. Following a discussion, the Executive Committee decided:

- (a) To request bilateral and implementing agencies preparing HCFC phase-out management plans (HPMPs) to use the preliminary template contained in Annex IV to the present report as a guideline when advising countries on preparing a draft agreement for HPMPs for consideration by the Executive Committee; and
- (b) To request Executive Committee Members and bilateral and implementing agencies to submit comments on the preliminary template to the Secretariat so as to enable it to prepare a revised version of the preliminary template for consideration by the Committee at its 60<sup>th</sup> Meeting.

**(Decision 59/16)**

93. One Member asked that, when preparing multi-year HPMPs, bilateral and implementing agencies make every effort to ensure that the last tranche comprised at least 10 per cent of the total funding.

*Funding of institutional strengthening projects as part of an HPMP*

94. The representative of the Secretariat recalled that the first HPMP, submitted to the present Meeting, included funding in principle for IS to be approved as part of different tranches, subject to the conditions of a performance-based agreement. The Executive Committee was asked to consider whether to accept, where requested, the inclusion of funding for IS within the HPMP. The representative of the Secretariat recalled paragraph 3 of decision XXI/29 of the Twenty-First Meeting of the Parties.

95. The Executive Committee decided that Article 5 Parties had the flexibility to submit requests for institutional strengthening funding either as part of their HCFC phase-out management plans or separately, as they so chose.

**(Decision 59/17)**

List of projects and activities submitted for blanket approval

96. The Chair drew the Executive Committee's attention to the list of projects and activities recommended for blanket approval, presented in Annex II to document UNEP/OzL.Pro/ExCom/59/11.

97. Responding to a comment from one Member on approving phase-out projects before the guidelines on HCFC consumption were approved, the representative of the Secretariat said that the Executive Committee could decide exceptionally to approve certain HCFC projects before the cost

guidelines had been approved. That would apply to the investment projects for the Dominican Republic and Mexico submitted to the present Meeting.

98. In response to a comment that about 40 projects and activities in the list for blanket approval were not in the business plans of the bilateral and implementing agencies, the representative of the Secretariat said that several of those projects related to tranches of national plans to phase out CFCs, while others related to institutional strengthening. More care would be taken in future to ensure that all relevant projects were included in the business plans, so that the necessary financing would be available. He agreed with the Member that the guidelines for the preparation of HPMPs in decision 54/39 had to be followed when reviewing such project proposals. He also indicated that the information required by the guidelines on the relationship of the investment project to the proposed HPMP would be provided when the Executive Committee considered the projects in Croatia, the Dominican Republic and Mexico, so as to ensure that sound decisions could be reached.

99. The representative of the Secretariat noted the concern of the Member that in some of the HCFC projects much larger amounts than 10 per cent of total HCFC consumption were to be phased out by 2015. In some countries consumption was concentrated in one or a very few enterprises, therefore, it was more cost-effective to phase out large volumes of HCFC consumption. He agreed that, whenever possible, projects should be designed to reduce consumption to meet the 10 per cent reduction in consumption by 2015. Regarding the lack of cover sheets for some HCFC projects and the variation in the information supplied on existing ones, the representative of the Secretariat said that it had been difficult to provide all the necessary information, especially when mixtures of HCFCs were involved, but that greater effort would be made to standardize the reporting.

100. Following the discussion, the Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex V to the present report, together with the conditions or provisions included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee;
- (b) To approve the institutional strengthening projects for the Cook Islands, Vanuatu and Qatar, and the terminal phase-out management plan (second tranche) for Qatar, as the necessary country programme implementation data had been received; and
- (c) That, for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex VI to the present report.

**(Decision 59/18)**

**(b) Bilateral cooperation**

101. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/59/12 and Add.1 providing an overview of requests from bilateral agencies. Initially a total of five requests for bilateral cooperation – two from the Government of France, one from the Government of Germany and two from the Government of Japan – with a value of US \$1,288,708 had been received by the Secretariat for approval at the present Meeting. The Government of Japan had, however, subsequently informed the Secretariat of its intention to notify the Government of Colombia that it was withdrawing its foam demonstration project. All the submitted requests were within the relevant Government's allocation for 2009. The four remaining projects had been given blanket approval under agenda item 7(a).



102. With respect to the withdrawal of the foam demonstration project, the representative of Japan recalled that, at its 57<sup>th</sup> Meeting, the Executive Committee had decided to restrict approval of HCFC demonstration projects in 2009 to five, in Brazil, China and Egypt; the rest had been removed from the agencies' 2009 business plans. She pointed out, however, that restricting demonstration projects to those approved at the 57<sup>th</sup> Meeting would not take account of newly available technology that might also assist Article 5 countries to meet their HCFC phase-out obligations. She hoped that the Executive Committee would welcome the resubmission of the foam demonstration project in 2010 at the Committee's 60<sup>th</sup> Meeting.

103. In the ensuing discussion, it was recalled that any new proposals for HCFC demonstration projects should address new technology or applications, otherwise they should be submitted as investment projects. It was also noted that, among the demonstration projects removed from the 2009 business plans, several involved technology with no or low-GWP. Those projects could prove useful to efforts to generate additional climate benefits. It was hoped that new demonstration projects would be submitted to the first Executive Committee Meeting in 2010 so that results would become available as soon as possible.

104. Following a discussion, the Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 59<sup>th</sup> Meeting as follows:

- (a) US \$85,315 (including agency fees) against the balance of France's bilateral contribution for 2009;
- (b) US \$96,050 (including agency fees) against the balance of Germany's bilateral contribution for 2009; and
- (c) US \$160,178 (including agency fees) against the balance of Japan's bilateral contribution for 2009.

**(Decision 59/19)**

**(c) Amendments to work programmes for 2009**

**(i) UNDP**

105. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/13, which contained proposed amendments to UNDP's work programme for 2009. Twelve activities had been given blanket approval under agenda item 7(a), leaving four projects to be considered individually: three requests for project preparation for ODS disposal pilot projects and one request for technical assistance for resource mobilization to maximize climate co-benefits in HCFC phase-out activities.

Colombia: Project preparation for an ODS disposal project

Cuba: Project preparation for an ODS disposal project

India: Project preparation for an ODS disposal project

106. The representative of the Secretariat introduced requests for project preparation for ODS disposal projects for Colombia, Cuba and India in the light of decision 58/19. In Colombia, the project would examine two options for the destruction of 11 ODP tonnes of CFC-12 collected and stored in containers. The project in Cuba would look into an approach for destroying 133 ODP tonnes of unwanted ODS by addressing all aspects of an ODS waste-management system in a small island State. In the case of the project in India, which targeted the destruction of CTC excess production, a significant by-product of chloromethane production, she said that the Secretariat was concerned that approval of the project might constitute double funding as the phase-out of CTC production had already been funded.

107. One Member emphasized that ODS disposal projects were intended to be demonstration projects and, as such, were expected to show how Multilateral Fund funding could leverage co-financing to ensure that future destruction activities would continue in the long term without further financing from the Multilateral Fund. He urged UNDP to ensure that those elements were considered when submitting the complete project for the Committee's consideration.

108. In response to concerns that the project in India would not be useful for others, the representative of UNDP said that it provided a good model for a demonstration project as it aimed to develop a multi-financed destruction facility that used Multilateral Fund financing only as seed money. Some Members, however, agreed that the project might constitute double funding and said that they could not approve it.

109. Following the discussion, the Executive Committee decided:

- (a) To approve the request for project preparation for an ODS disposal project for Colombia presented by UNDP in light of decision 58/19, at the corresponding level of funding indicated in Annex V to the present report;
- (b) To approve the request for project preparation for an ODS disposal project for Cuba presented by UNDP in light of decision 58/19, at the corresponding level of funding indicated in Annex V to the present report; and
- (c) Not to approve the request for project preparation for an ODS disposal project for India presented by UNDP.

**(Decision 59/20)**

Global: Resource mobilization for climate co-benefits

110. The Executive Committee decided to defer the resource mobilization request to the 60<sup>th</sup> Meeting in the context of the discussions under the agenda item on the special funding facility.

**(Decision 59/21)**

**(ii) UNEP**

111. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/59/14, said that 29 activities had been recommended for blanket approval and had been approved under agenda item 7(a). The requests for renewal of the IS project for the Cook Islands and Vanuatu, submitted for individual consideration, had also been approved under agenda item 7(a), as country programme implementation data for 2008 had been received and therefore only two activities remained to be considered individually under this agenda item. The TPMP and other tranches listed were considered separately in the documents on individual country projects.

Regional approach for the preparation of HCFC phase-out management plans for PIC countries

112. With regard to the request for preparation of an HPMP for 12 Pacific island countries (PIC), following the regional approach in line with decision 57/9(e), UNEP had submitted a request for total funding of US \$494,600, which was not consistent with decision 57/9(e), in particular subparagraph (i), which limited the total funding for HPMP preparation to US \$300,000 in the first instance. Data for 2007 showed that the total HCFC consumption of those 12 countries was 27.7 ODP tonnes.

113. One Member recalled the decision regarding the total level of funding for HPMPs for PIC, and indicated that the outline of activities in the proposal could be reached within the limit of US \$300,000.

He considered that the proposal should be approved at an amount consistent with the Executive Committee's guideline. Other Members said that the PIC should be treated in the same way as other LVC countries with regard to HPMP preparations. One Member noted that UNEP had already reduced the proposed cost to US \$494,600 from the original amount submitted to the 57<sup>th</sup> Meeting and was concerned that any lower amount would not allow appropriate conditions for HPMP preparation. He therefore recommended that the proposal be approved at the level requested. Another Member said that she was keen to ensure that all countries in the PIC received the support required for HPMP preparation. She noted, however, that the nature and scope of each HPMP would be similar for each PIC, therefore, she was willing to discuss funding commensurate with this and in accordance with decision 57/9.

114. An informal contact group was set up to resolve the issue, but was unable to reach a conclusion. Some Members expressed disappointment that it had not been possible to reach agreement and suggested that the proposal be resubmitted to the 60<sup>th</sup> Meeting of the Executive Committee. One Member indicated her willingness to continue consultations with UNEP and relevant countries on this issue.

115. One Member expressed his great concern that, considering the important effort made by UNEP to reduce the cost of the project in the first instance, any funding level below the one submitted to this Meeting would jeopardize the project as well as the implementation of the HPMPs prepared for the PIC. He therefore stated that, without extensive and convincing justification, he would not be in a position to approve any lower level of funding for the project in the future.

116. The representative of UNEP stressed that HPMP preparation for PIC was not a simple task, particularly for 12 countries spread over an area of some 3.5 million km<sup>2</sup>. Responding to a request for clarification, he said that UNEP had kept the PIC informed of developments during the Meeting. It would be reluctant to accept a limit of US \$300,000, which would not be sufficient to ensure that all PIC received the support they required. UNEP had been considering the issue for some time, and he pointed out that the funding required would not change even if the issue were deferred to the 60<sup>th</sup> Meeting.

117. The Executive Committee decided to request UNEP to resubmit a proposal for the preparation of a regional HCFC phase-out management plan for the Pacific island countries to the 60<sup>th</sup> Meeting of the Committee after consultation with relevant countries, keeping in mind decision 57/9(e) and the views expressed by the Committee at its 59<sup>th</sup> Meeting.

**(Decision 59/22)**

#### Nepal: Destruction of confiscated ODS

118. The representative of the Secretariat presented the request for a pilot ODS disposal project in Nepal that had been submitted in line with decision 58/19. The pilot project would involve designing an approach for the final disposal and destruction of the 12 ODP tonnes of ODS remaining at the end of 2009 from the country's excess imports in 2000, amounts of which had been released for use in the country in accordance with its plan of action approved in decision XVI/27 taken at the Sixteenth Meeting of the Parties.

119. One Member expressed the hope that, in the development of the project, the implementing agency and the country would ensure that it was truly a demonstration project, i.e. that it would demonstrate how the activity would be sustained and how, under relevant circumstances, it could access sustainable funding for climate activities. The project should also be designed to show how portable destruction technology could meet the needs of the country, as well as its value for similar LVC countries when dealing with unwanted ODS. Another Member said that UNEP should make sure that the first phase of the project included a comprehensive cost-effectiveness analysis of the two options: (i) use of a portable destruction facility; and (ii) transporting the waste ODS to a recycling facility. In the second phase of the

project, the most cost-effective of the two options should be used and implementation should be done in partnership with another agency.

120. The Executive Committee decided to approve the project proposal for a pilot ODS disposal project in Nepal at the level of funding indicated in Annex V to the present report, and in line with decision 58/19.

**(Decision 59/23)**

**(iii) UNIDO**

121. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/59/15, recalled that 11 projects for blanket approval had already been approved under agenda item 7(a). The request for renewal of the IS project for Qatar, submitted for individual consideration, had also been approved under agenda item 7(a), as country programme implementation data for 2008 had been received. Three projects were to be considered individually under the present agenda item.

Algeria: Project preparation for pilot ODS disposal project

China: Project preparation for pilot ODS disposal project

122. UNIDO was submitting two requests for individual consideration, for preparation of pilot ODS disposal projects in Algeria and China. The pilot project for Algeria consisted of the development of an approach for the destruction of 150 ODP tonnes of unwanted ODS. UNIDO had indicated that the project would give the country comprehensive experience in use of the best techniques, policies and strategies for the transport and destruction of ODS.

123. The representative of the Secretariat explained that the project proposed for China was a pilot project for the destruction of 150 ODP tonnes of ODS waste in Shandong Province. In its request, UNIDO had indicated that the project would address all aspects of a complete ODS waste management system in the Province by using “New World”, a Government-appointed recycling and recovery centre for discarded appliances, as a pilot facility. The results of the project might allow development of a larger-scale destruction process, which would help to address ODS wastes in China, where there was a large bank of unwanted ODS in equipment.

124. During the discussion it was suggested that UNIDO should be asked to ensure that the design of both projects was such that the activity would be sustainable beyond the involvement of the Multilateral Fund, especially in leveraging funds for its continued operation once implemented. One Member recalled that, under agenda item 7(a), she had proposed that UNIDO should include ODS disposal projects for Africa and West Asia in its 2010 business plan in order to ensure regional representation.

125. The Executive Committee decided to approve:

- (a) The request for project preparation for a pilot ODS disposal project in Algeria at the corresponding level of funding indicated in Annex V to the present report, and in line with decision 58/19; and
- (b) The request for project preparation for a pilot ODS disposal project in China at the corresponding level of funding indicated in Annex V to the present report, and in line with decision 58/19.

**(Decision 59/24)**

Global: Mobilizing additional funds through the special facility under the Multilateral Fund to account for the climate co-benefits of the HCFC phase-out projects

126. The Executive Committee decided to defer the resource mobilization request to the 60<sup>th</sup> Meeting in the context of the discussions under the agenda item on the special funding facility.

**(Decision 59/25)**

**(iv) World Bank**

127. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/16, which contained proposed amendments to the World Bank's work programme for 2009. One activity recommended for blanket approval had been approved under agenda item 7(a) and one activity for resource mobilization had been earmarked for individual consideration.

Global: Resource mobilization for HCFC phase-out and climate co-benefits

128. The Executive Committee decided to defer the resource mobilization request to the 60<sup>th</sup> Meeting in the context of the discussions under the agenda item on the special funding facility.

**(Decision 59/26)**

**(d) Compliance Assistance Programme (CAP) budget for 2010**

129. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/17, which contained the CAP budget for 2010 amounting to US \$8,910,000, plus agency support costs of 8 per cent amounting to US \$712,800. The submission exceeded the approved budget for 2009 by 4.9 per cent, and was therefore not in line with decision 47/24, which limited the increase to 3 per cent with respect to the previous year's budget. The reason for the increase was the inclusion of the operational costs for the Southeast Asia (SEA) network, which since 1992 had been funded by the Government of Sweden through the Swedish International Development Cooperation Agency (Sida). UNEP had been officially informed by the Agency in its communication of 27 January 2007 that funding would cease at the end of 2009, and had therefore been required to absorb the cost of the network's operations into the current CAP budget.

130. In the proposed budget for 2010, UNEP provided details of the changes to specific lines, some of which had been increased, maintained or reduced by a certain percentage in comparison with the 2009 budget. The programme had continued to follow the previous year's three-track approach, and UNEP had provided a summary of CAP achievements during the current year, including highlights of their compliance activities.

131. The present budget, submitted for approval, had been arrived at following discussions between the Secretariat and UNEP. It was recognized during the discussions that the 4.9 per cent increase requested was required by UNEP in order to continue operation of the SEA network, and had been reached following reallocation and reprioritization of costs in the short time available. The representative of the Secretariat said, however, that future CAP budgets submitted should be strictly guided by decision 47/24.

132. In the ensuing discussion, several Members said that they wished to record their thanks to the Government of Sweden for its sustained funding support for the SEA network since 1992, in addition to its contribution to the Multilateral Fund. That network had been the first of the nine regional networks and was a fundamental pillar for the implementation of the Montreal Protocol in Article 5 countries.

133. Members welcomed the efforts of UNEP to include funding for the network in the CAP budget submission at such short notice. Some Members suggested that favourable consideration be given to the

4.9 per cent increase requested in view of the exceptional circumstances and the importance of the activities of the regional network. Others were of the opinion that efforts should be made to comply with decision 47/24 and achieve a budget increase limited to 3 per cent by reprioritizing some activities.

134. The representative of UNEP thanked Members for their overwhelming support with respect to the proposed CAP budget for 2010, and pointed out that any further reduction might affect other networks and other activities of UNEP. He also said that UNEP would participate in discussions to see how further savings could be made and would be pleased to provide a cost/benefit analysis of any proposed reductions. Following the discussions, the Chair invited interested Members, including Australia, Belgium, China, Germany, Japan and the United States of America, to consider ways of making further savings with a view to bringing the requested increase as close as possible to the 3 per cent limit specified in decision 47/24.

135. Reporting back, the representative of UNEP said that the informal group had succeeded in bringing down the requested increase to within the 3 per cent limit. The cuts were in the cost of preparing materials to mark International Ozone Day, which had gone down by almost 30 per cent, and for regional awareness activities, which had been reduced by 20 per cent. Cuts had also been made in other lines. He said, however, that the CAP would endeavour to limit its budget to a 3 per cent increase in the future, but, given the urgent need for awareness-raising activities relating to HCFC phase-out expressed by Article 5 countries, UNEP urged the Committee, in future, to accord the CAP the flexibility it needed.

136. Following the discussion, the Executive Committee decided:

- (a) To approve the 2010 Compliance Assistance Programme (CAP) budget contained in Annex VII to the present report, at a level of US \$8,745,000, plus support costs of US \$699,600; and
- (b) To further request UNEP, in future submissions of the CAP budget:
  - (i) To continue to provide detailed information on the activities for which the global funds would be used;
  - (ii) To continue to expand the prioritization of funding between CAP budget lines so as to accommodate changing priorities; and to provide details on the reallocations made for its budget following decisions 47/24 and 50/26; and
  - (iii) To continue to report on the current staff post levels and to inform the Executive Committee of any changes therein, particularly in respect of any increased budgetary allocations.

**(Decision 59/27)**

**(e) 2010 core unit costs for UNDP, UNIDO, and the World Bank**

137. The Chair, in introducing the agenda item, mentioned that he had received a letter from UNIDO Management on the matter of UNIDO's core unit costs.

138. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/18, which contained information on 2010 core unit costs for UNDP, UNIDO and the World Bank. He recalled decision 56/41, which requested implementing agencies to provide sufficient data in order to monitor the differences between administrative cost income and the costs incurred. He also noted that there appeared to be sufficient funds available to meet administrative costs for 2010 for UNDP and the World Bank from surpluses from previous years. The requests for core unit funding for UNDP and UNIDO were 3 per cent

above the level budgeted in 2009, which was permitted under decision 46/35. The World Bank was requesting a 2.3 per cent increase and was returning US \$360,069 from unspent core unit costs in 2008. The Secretariat was recommending the approval of the requests from UNDP and the World Bank, which complied with the requirements of decision 56/41. UNIDO had provided information on the basis of the cost model contained in Annex I to document UNEP/OzL.Pro/ExCom/59/18, but had not provided cost information distinguishing project-related costs from administrative costs, thus overstating the level of administrative costs and rendering it impossible to determine the extent to which administrative costs were covered by income for those costs. The additional information provided by UNIDO after the deadline for submission also did not distinguish between project costs and administrative costs.

139. Responding to requests for clarification concerning the proposed Ozone Operations Resource Group (OORG) study, the representative of the World Bank said that, under the Bank's safeguards policy, the environmental impact of all new projects had to be assessed. Existing data, including from the TEAP, would be used, and care would be taken to ensure that there was no duplication of activity. During the discussion, the World Bank was thanked for the return of funds. It was suggested that the Committee might wish to include in its decision wording to the effect that unused core unit funds exceeding a certain amount or a certain percentage should be returned by the implementing agency. With regard to core unit costs for UNIDO, the importance of being able to differentiate between project costs and administrative costs, and to track income and expenditure was emphasized. The reporting mechanisms used by UNIDO were highlighted, and the establishment by UNIDO of a separate trust fund for administrative costs was suggested as a possibility to facilitate compliance with decision 56/41.

140. The representative of UNDP pointed out that the assessment of availability of income for future administrative costs for UNDP in Table 2 of document UNEP/OzL.Pro/ExCom/59/18 should be treated with caution as future income had been estimated on the basis of estimated income from projects included in future business plans and could not reflect available funds until programme funding was approved and disbursed.

141. It was pointed out by the representative of UNIDO that his Organization had sent a letter to the Chair clarifying its position. As a specialized agency, UNIDO was an implementing and executing agency, and some of its staff members were engaged in implementing Fund projects. Moreover, UNIDO had subsidized its Fund operations. It was therefore difficult to provide estimates to meet the requirements of the Fund Secretariat as UNIDO viewed its administrative costs as a lump sum amount. UNIDO's internal procedures as a specialized agency had to be acknowledged. Nevertheless, UNIDO would work to resolve the situation before the next Meeting. The representative of UNIDO indicated that UNIDO held Multilateral Fund resources as funds in trust.

142. The representative of the Secretariat observed that the reporting requirement did not flow from a requirement of the Fund Secretariat but from a decision of the Executive Committee with a view to promoting accountability and transparency in the reporting of administrative costs by UNIDO.

143. Following the discussions, the Executive Committee decided:

- (a) To note the report on 2010 core unit costs for UNDP, UNIDO and the World Bank as presented in document UNEP/OzL.Pro/ExCom/59/18;
- (b) To approve the requests for core unit funding of US \$1,913,365 for UNDP; US \$1,913,365 for UNIDO; and US \$1,701,466 for the World Bank in accordance with decision 56/41; and

- (c) To discuss at the 60<sup>th</sup> Meeting, a methodology to assist UNIDO in identifying project-related costs, if any, in its annual report on administrative costs.

**(Decision 59/28)**

**(f) Investment projects**

Foam sector

China: Conversion demonstration from HCFC-141b-based to HFC-245fa-based spray polyurethane foam at Harbin Tianshuo Building Materials Co. Ltd.

144. Introducing documents UNEP/OzL.Pro/ExCom/59/23 and Add.1, the representative of the Secretariat said that, on behalf of the Government of China, the World Bank had submitted an HCFC foam demonstration project for conversion from HCFC-141b to HFC-245fa spray polyurethane foam at Harbin Tianshuo. It was intended to blend polyol with HFC-245fa in-house and to conduct trial production for validation of various formulations and related use issues. When completed, in addition to having phased out 1.67 ODP tonnes of HCFC-141b, the project would prevent over 1,300 tonnes of CO<sub>2</sub> that would have been released into the atmosphere from being emitted.

145. The World Bank had indicated to the Secretariat that China was fully aware of the fact that HFCs were among the gases controlled under the Kyoto Protocol and were being considered for inclusion under the Montreal Protocol. In the spray foam sector, there was no alternative technology more suitable than HFC-245fa. Owing to the high GWP value and cost of HFC-245fa, the ratio of HFC-245fa in polyol was reduced by 40 per cent compared to that of HCFC-141b, which led to lower greenhouse gas emissions.

146. Concern was expressed by several Members that a company reported to be a leader in a rapidly developing field was not being required, in a demonstration project, to be more ambitious in its use of forward-looking lower-GWP alternatives. HCFCs used in foam applications were mostly emitted into the atmosphere, with a significant impact on the climate. The project should demonstrate all three available types of technology, HCFC-245fa, supercritical CO<sub>2</sub> and the new water-based systems. One Member said that it would be inadvisable for the Executive Committee to approve a proposal for a project that had been submitted in the form of an investment project rather than a demonstration project, and did not meet the provisions of decision 55/43 in respect of demonstrating alternative technology. One Member considered that incremental operating costs should be calculated on the basis of a one-year rather than a two-year transition period.

147. The representative of the World Bank said that the Government of China was doing its utmost to select the most environmentally-friendly technology, but liquid CO<sub>2</sub> and water-based technologies had been ruled out while supercritical CO<sub>2</sub> technology might not provide the adequate product performance required in China. The Bank's foam sector task force would welcome technical information on blowing technology to enable it to carry out a technical review of the available alternatives. However, on the basis of the funding level requested, it might not be feasible to test a variety of types of technology.

148. Following further consultations with interested parties, it was agreed that the project would be converted to an investment project for approval by the Executive Committee at the same level of funding, and that the Government of China and the World Bank would be requested to continue to seek lower-GWP alternative technology for use in the project where appropriate.

149. Following the discussion, the Executive Committee, noting that the World Bank had reformulated the original demonstration project into an investment project, decided:

- (a) To approve the investment project for the conversion from HCFC-141b-based to



HFC-245fa-based spray polyurethane foam at Harbin Tianshuo Building Materials Co. Ltd., at a total cost of US \$193,808, plus agency support costs of US \$14,536 for the World Bank;

- (b) To request the World Bank and the Government of China to deduct 1.67 ODP tonnes (15.2 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HCFC phase-out management plan;
- (c) Further to request the World Bank to provide to the Secretariat at the end of each year of the project's implementation period or part thereof progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b); and
- (d) Request the World Bank and the Government of China to identify and explore the feasibility of lower-GWP alternative technology for the foam sector plan.

**(Decision 59/29)**

China: Conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co. Ltd. from HCFC-141b to cyclopentane

150. Introducing documents UNEP/OzL.Pro/ExCom/59/23 and Add.1, the representative of the Secretariat said that, on behalf of the Government of China, the World Bank had submitted a project for the conversion from HCFC-141b to cyclopentane used in the production of insulation foam for solar water heaters at Jiangsu Huaiyin Solar Company. Once the project had been completed, a total of 5.14 ODP tonnes of HCFC-141b would be phased out and 32,660 tonnes of CO<sub>2</sub> that would have been emitted into the atmosphere would not be emitted. Concerns had been raised regarding the proposal to replace the three machines with two new dispensers, which could not be deemed consistent with the company's production baseline. It would also represent a technological upgrade that had not been accounted for in the calculation of the incremental costs of the project. In further discussions with the World Bank, it had been agreed to replace the three foam machines by two high-pressure machines, at a reduced cost.

151. One Member said that incremental operating costs for the proposed project should be calculated on the basis of a one-year rather than a two-year transition period.

152. The Executive Committee decided:

- (a) To approve the demonstration project for the conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co. Ltd. from HCFC-141b to cyclopentane at a total cost of US \$786,668, plus agency support costs of US \$59,000 for the World Bank;
- (b) To request the World Bank and the Government of China to deduct 5.14 ODP tonnes (46.7 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HCFC phase-out management plan; and
- (c) Further to request the World Bank to provide to the Secretariat at the end of each year of the project's implementation period or part thereof progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).

**(Decision 59/30)**

China: Conversion demonstration from HCFC-141-b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd.

153. Introducing documents UNEP/OzL.Pro/ExCom/59/23 and Add.1, the representative of the Secretariat said that, on behalf of the Government of China, the World Bank had submitted a project for the conversion from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua, a local systems house focusing on research, development and production of polyurethane polyols. The objective of the project was to demonstrate the feasibility of pre-blending polyol with cyclopentane, and supplying the pre-blended polyol to foam producers. The project would be implemented in two stages: setting up a commercial-scale cyclopentane pre-blending facility and then phasing out HCFC-141b used at four small enterprises with different lines of foam products.

154. The Secretariat had pointed out that the main objective of the project was not to establish cyclopentane blending capacity *per se*. Given the suggestions of the Bank's technical reviewer, it had been proposed to revise stage I to develop the cyclopentane-based polyol on a small scale and at a lower initial cost. Release of funding for stage II, addressing downstream users, would be subject to completion of stage I and submission of a report by the World Bank supporting the technical feasibility and safety of the full-scale demonstration project. The Bank had raised concerns regarding the very lengthy implementation period of the project, which would affect the submission of the HPMP as well as the 2013 and 2015 compliance targets. Given that the four downstream enterprises belonged to different sub-sectors, if only one company were selected during stage I, it would not be possible to test the use of hydrocarbon pre-blended polyols in different sub-sectors in the available time. If the project were to be implemented in two stages, the Government would like to request that total funding be approved up front and transferred to the Bank, with funding for stage II being released based on an assessment by the Bank.

155. The Secretariat had noted that the dispensers of three of the four downstream users were relatively new, so the eligible incremental capital cost should be based on the cost of retrofitting them. The Bank had reported that the cost of a retrofit was similar to that of new foaming machines. Introduction of retrofit equipment could run the risk of complicating the design and outcome of the demonstration project, but would be considered once it was better known to what extent the technology could be applied in China. All technical and cost issues had been agreed with the Bank. Once the project had been completed, a total of 6.84 ODP tonnes (62.2 metric tonnes) of HCFC-141b would be phased out and 43,494 tonnes of CO<sub>2</sub> that would have been emitted into the atmosphere would not be.

156. One Member considered that incremental operating costs should be calculated on the basis of a one-year rather than two-year transition period and asked how it would be possible to judge the cost of stage II of the project without knowing the results of stage I. Another Member expressed concern about the procedure for approving the project in two stages and the resulting possible delay to completion, but was assured by the representative of the Secretariat that the costs involved in stage II had already been addressed and might in fact be lower than anticipated.

157. Following the discussion, the Executive Committee decided:

- (a) To approve the demonstration project for the conversion from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd at a total cost of US \$1,214,936, plus agency support costs of US \$91,120 for the World Bank, on the understanding that the release of funding by the World Bank for stage II of the project, amounting to US \$635,275, would be subject to successful validation of stage I and submission of the relevant report to the Fund Secretariat by the World Bank supporting the technical feasibility and safety of the full-scale demonstration project;

- (b) To request the World Bank and the Government of China to deduct 6.84 ODP tonnes (62.2 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption, as set by China's HCFC phase-out management plan; and
- (c) Further to request the World Bank to provide to the Secretariat at the end of each year of the project's implementation period or part thereof progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).

**(Decision 59/31)**Croatia: Phase-out of HCFC-141b from the manufacturing of polyurethane rigid and integral skin foams at Poly-MixCroatia: Phase-out of HCFC-141b from the manufacturing of polyurethane rigid and integral skin foams at Pavusin

158. Introducing document UNEP/OzL.Pro/ExCom/59/26, the representative of the Secretariat said that, on behalf of the Government of Croatia, UNIDO had submitted two HCFC phase-out projects in the foam sector. One was for the replacement of 1.95 ODP tonnes (17.7 metric tonnes) of HCFC-141b used in the manufacture of rigid polyurethane foam at Pavusin by pentane, requiring the retrofit of the high-pressure dispenser and the installation of related safety measures. The total cost of the project, as submitted, was around US \$350,000, plus agency support costs. The other project was for the replacement of 1.76 ODP tonnes (16.0 metric tonnes) of HCFC-141b used in the manufacturing of rigid and integral skin polyurethane foams at Poly-Mix by a blend of HFCs (HFC-365mfc and HFC-227ea). Completion of the projects would meet the HCFC phase-out requirements of Croatia beyond the first stage of its HPMP, and very likely up to the 2025 HCFC reduction requirement. In that regard, the Government had already adopted a much stricter phase-out schedule for HCFCs than stipulated under the Protocol.

159. With regard to the selection of the HFC technology in one company, it was pointed out that, although the main objective of the projects was to introduce low-GWP technology, the very limited space in which the company operated, the high capital costs and the associated levels of blowing agent required made the risks linked to using hydrocarbons highly unacceptable. Other blowing agents would not currently meet the physical properties required. Accordingly, the company had selected HFCs as the optimum technological option available under current circumstances. The Secretariat and UNIDO had discussed other technical and cost-related issues, which had been resolved satisfactorily.

160. With regard to the relationship between the phase-out project and the HPMP for Croatia, the representative of UNIDO explained that, while Croatia's HPMP would be submitted to the Executive Committee at its 60<sup>th</sup> Meeting, the projects under consideration were of high priority and needed urgent implementation. Further, they were expected to achieve the phase-out of more than 40 per cent of the country's HCFC consumption.

161. Two Members considered that the Croatian projects constituted a special case and should be approved on an exceptional basis pending any HCFC phase-out funding guidelines that might emerge from the deliberations of the relevant contact group. Care should be taken not to set a precedent, and Croatia should be required to commit itself to the 35 per cent reduction target in 2020 without further funding. One Member noted that Croatia had to phase out all HCFCs by 1 January 2016 in order to meet its European Union membership accession requirement, and the Fund should be cautious about funding a target that was beyond its mandate. The European Union would be working with Croatia on phasing down HFCs, which would remove that issue from the purview of the Fund. Another Member said that he would be holding discussions with the representative of UNIDO concerning other low-GWP alternatives that were becoming available and which might be of use in Croatia, and it would be inappropriately hasty

to approve the Poly-Mix project without exhausting those alternatives. Consideration of the project with HFC technology should be deferred to a later Meeting of the Committee pending new information on HFC alternatives.

162. The Executive Committee decided:

- (a) To approve on an exceptional basis, and without setting a precedent, the project for the phase-out of HCFC-141b from the manufacturing of polyurethane rigid foam at Pavusin, at a total cost of US \$271,150 plus agency support costs of US \$20,336 for UNIDO, with the conditions stated in subparagraphs (b) and (c) below;
- (b) To request UNIDO and the Government of Croatia to deduct 1.95 ODP tonnes (17.73 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption to be established by Croatia's HCFC phase-out management plan (HPMP);
- (c) To request UNIDO to provide to the Secretariat at the end of each year of the project's implementation period progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HPMP, once it had been approved; and
- (d) To defer its consideration of the project to phase out HCFC-141b from the manufacture of polyurethane rigid and integral skin foams at Poly-Mix in Croatia to a subsequent Meeting.

**(Decision 59/32)**

Dominican Republic: Conversion from HCFC-141b in the manufacturing of polyurethane rigid insulation foam for commercial refrigerators at Fabrica de Refrigeradores Comerciales (FARCO)

163. Introducing document UNEP/OzL.Pro/ExCom/59/30, the representative of the Secretariat said that, on behalf of the Government of the Dominican Republic, UNDP had submitted an HCFC phase-out project for the replacement of 2.6 ODP tonnes (23.6 metric tonnes) of HCFC-141b used by FARCO in the manufacture of polyurethane rigid insulation foam for commercial refrigerators by cyclopentane technology. When completed, the project would prevent over 16,350 tonnes of CO<sub>2</sub> from being emitted into the atmosphere. One of the main issues raised related to the use of imported HCFC-141b pre-blended polyols. Although the project was to phase out 2.6 tonnes of HCFC-141b, only 0.47 ODP tonnes had been reported under Article 7. On that basis, the project could not be considered eligible. UNDP had stated in its response that the Government had not included the consumption of HCFCs contained in pre-blended polyols imported into the country. However, the Government would correct that omission as part of its annual reporting under Article 7 of the Protocol.

164. With regard to the relationship between the phase-out project and the HPMP for the Dominican Republic, the representative of UNDP said that the Government had indicated that the project would be well integrated into the strategy of the HPMP being formulated, and had accepted that the project consumption would be deducted from the starting point once that had been established. The reason for the advance submission was that FARCO risked losing business if it did not quickly convert to a non-ODP/low-GWP technology. The reconversion of the enterprise would send a signal to other companies in the country that they too should adopt environmentally-friendly solutions.

165. Two Members said that the project raised clear eligibility policy issues. One of them nevertheless considered that it was important for the Meeting to send a positive signal regarding HCFC phase-out, and that the project could be approved exceptionally as a demonstration project and on a one-year incremental

operating cost basis. Another Member suggested approving the projects addressing use of imported pre-blended polyols subject to specific conditions related to consideration by the countries to report HCFCs included in polyols as ODS consumption under Article 7. He sought clarification from the UNEP Ozone Secretariat on a matter of compliance, in particular, based on past decisions of the Parties to the Montreal Protocol, would it be possible for a Party to decide that its imports of pre-blended polyols containing HCFCs be counted as part of their ODS consumption. The representative of the Ozone Secretariat said that his Secretariat's view had always been that interpretation of decisions of the Parties was a matter solely for the Parties themselves.

166. The Executive Committee decided to defer consideration of the project for the conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for commercial refrigerators at Fabrica de Refrigeradores Comerciales in the Dominican Republic to a future Meeting.

**(Decision 59/33)**

Mexico: Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Mabe Mexico

167. Introducing documents UNEP/OzL.Pro/ExCom/59/38 and Add.1, the representative of the Secretariat said that UNDP had submitted a project for the phase-out of 38.94 ODP tonnes (354.0 metric tonnes) of HCFC-141b and 16.83 ODP tonnes (306.0 metric tonnes) of HCFC-22 used in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Mabe. The company had selected cyclopentane as the alternative technology. When completed, in addition to having phased out the above-mentioned amounts of HCFCs, the project would prevent over 786,300 tonnes of CO<sub>2</sub> from being emitted into the atmosphere.

168. Two of the main issues raised during project review related to the replacement of all high-pressure foam machines older than 10 years with new high-pressure machines. On the basis of decision 25/48(b), which established the eligible incremental cost of high-pressure foam machines to be the cost of retrofit of the machine rather than its replacement, UNDP had been advised to recalculate the incremental cost of the foaming machines accordingly. The other issue related to the installation of four sets of cyclopentane tanks and premixing facilities, one for each of the production lines in operation. The Secretariat had advised UNDP to look into possible consolidation of the chemical supply facilities to two, with corresponding revision of costs. UNDP had made the recalculation on that basis. The total agreed cost of the project had therefore been adjusted to about US \$2.4 million, after deduction of 48.4 per cent to account for foreign ownership.

169. The representative of UNDP explained that total HCFC consumption for Mexico had been 1,214.4 ODP tonnes in 2008 and that the present project would reduce that by 55.8 ODP tonnes. More investment and non-investment projects would therefore be needed to enable the country to meet its 2013 and 2015 obligations. The present project was, however, the largest expected for Mexico. The Government of Mexico had stated that the project was very important as it provides other companies with an example of a cost-effective way of reducing HCFC consumption and would facilitate compliance. It had also said that the project would be integrated into the overarching strategy of its HPMP to be submitted in 2010. The Government understood that the consumption under the project would be deducted from the country's starting point, once the project was under way.

170. In response to a request for further explanation of the proposed consolidation of storage tanks for cyclopentane, the representative of UNDP said that the Secretariat had suggested consolidation of the production lines from four to two, and that UNDP had asked the two baseline suppliers to look into that option. Both had come to the conclusion that the variety and number of refrigerator models would not allow such a solution. Lines one and seven showed some synergy, but the different sizes and formulation

would not allow complete integration and would require two premixers for the consolidated lines. There would therefore be no net saving from the consolidation concept.

171. The representative of the Secretariat, responding to a request for a breakdown of the costs, stated that the capital costs amounted to US \$2,293,104 and the operating costs to US \$135,883.

172. The Executive Committee decided:

- (a) To approve on an exceptional basis, and without setting a precedent, the project for conversion from HCFC-141b and HCFC-22 in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Mabe Mexico, at a total cost of US \$2,428,987 plus agency support costs of US \$182,174 for UNDP, with the conditions stated in subparagraphs (b) and (c) below;
- (b) To request UNDP and the Government of Mexico to deduct 55.87 ODP tonnes (660 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption to be established by Mexico's HCFC phase-out management plan (HPMP); and
- (c) To request UNDP to provide to the Secretariat at the end of each year of the project's implementation period progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include those reports in the implementation reports of the HPMP, once approved.

**(Decision 59/34)**

173. One Member raised a policy issue in relation to the project, stressing the importance of adhering to Executive Committee guidelines for the review of projects and requests. He recalled that, according to decision 41/80, if cost-related issues associated with projects were not resolved one week before a Meeting of the Committee, related projects should not be considered at that Meeting. Furthermore, he cited decision 17/18, stating that "the Executive Committee would not see country-specific project documentation for projects that raise new policy issues, unless the Secretariat and all the implementing agencies can work out a consensus agreement on how to deal with the policy issue for the proposed project and all future projects that are similarly situated". He said that stricter adherence to Committee guidelines would help reduce the burden of work on the Secretariat and Committee Members.

174. The Executive Committee decided to request the Secretariat, in the event that an Executive Committee Meeting was scheduled immediately following a session of the Open-ended Working Group of Parties to the Montreal Protocol or the Meeting of the Parties, to make all new documents available to Committee Members 15 days before the start of that Executive Committee Meeting.

**(Decision 59/35)**

#### Fumigant

Costa Rica: Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding quarantine and preshipment applications (tranche V)

175. The representative of the Secretariat, introducing document UNEP/OzL/Pro/ExCom/59/25, said that UNDP, on behalf of the Government of Costa Rica, had submitted a progress report on implementation of the fourth tranche of a project for the total phase-out of methyl bromide and a request for funding of the fifth and last tranche. The project was being presented for individual consideration for two reasons. The first was that the methyl bromide consumption levels in 2007 and 2008 reported under Article 7 were higher than those allowed under the agreement between the Government and the Executive

Committee. The second related to the request, for the second time, of a change to the agreement entered into with the Committee. The Government had initially proposed a very ambitious schedule for phasing out methyl bromide, partly on the assumption that cost-effective alternatives to methyl bromide would become available. However, the number of alternatives that could be applied had been limited. Accordingly, complete phase-out of methyl bromide in 2010 would have major implications for the melon sector and the country's economy.

176. One Member said that, in performance agreements, funding for subsequent tranches was usually given only if consumption targets had been reached. Methyl bromide agreements however did not include a penalty clause. He recommended that the requested extension be granted but that the final tranche be disbursed only after verification that the target for 2012 had been met. Another Member said that withholding funding for the last tranche would place Costa Rican farmers in a difficult position, and it would be hard to persuade them to achieve the targets without funding. He therefore proposed that half of the funds for the last tranche be disbursed immediately for implementation during 2010-2011 and the remainder only when it had been verified that the targets had been met. That proposal met with general agreement.

177. The Executive Committee decided:

- (a) To approve the following revised schedule for the phase-out of methyl bromide:

Year	Maximum level of methyl bromide consumption (ODP tonnes)	
	Original	Revised
2006	253.2	253.2
2007	210.0	210.0
2008	174.0	174.0
2009	114.0	174.0
2010	0.0	170.0
2011		140.0
2012		85.0
2013		0.0

- (b) To revise its agreement with Costa Rica accordingly;
- (c) To approve the fifth tranche of the project at a total cost of US \$726,791 plus agency support costs of US \$54,509 for UNDP, with the following disbursement schedule by UNDP: US \$363,400 in 2009; US \$255,000 at the end of 2010; and US \$108,391 at the end of 2012, on the understanding that disbursement of the funds for 2010 and 2012 would be subject to a report to be submitted by UNDP indicating that the phase-out targets had been met; and

- (d) To request UNDP to present annual progress reports on implementation of the project, including financial reports, until the project was completed.

**(Decision 59/36)**

Guatemala: National phase-out of methyl bromide (phase II, first tranche)

178. The representative of the Secretariat, introducing document UNEP/OzL/Pro/ExCom/59/32, said that, on behalf of the Government of Guatemala, UNIDO had submitted a methyl bromide phase-out plan that would result in the complete phase-out of all controlled uses of methyl bromide by 2013. The alternative techniques introduced, namely grafting and chemical fumigants, had proven to be technically viable and economically acceptable to all stakeholders. All policy issues had been resolved, and the incremental costs of the project had been agreed.

179. The Executive Committee decided:

- (a) To approve in principle phase II of the national methyl bromide phase-out plan for Guatemala, at a total cost of US \$2,243,047, plus agency support costs of US \$168,228 for UNIDO, and US \$70,000, plus agency support costs of US \$9,100 for UNEP, on the understanding that no additional funding would be provided for Guatemala for the phase-out of controlled uses of methyl bromide in the country;
- (b) To approve the agreement between the Government of Guatemala and the Executive Committee for the phase-out of controlled uses of methyl bromide contained in Annex VIII to the present report; and
- (c) Further to approve the first tranche of phase II of the national methyl bromide phase-out plan at a total cost of US \$1,300,000, plus agency support costs of US \$97,500 for UNIDO, and US \$70,000 plus agency support costs of US \$9,100 for UNEP.

**(Decision 59/37)**

Turkmenistan: Technical assistance for the elimination of methyl bromide in the post-harvest sector

180. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/46. He said that, on behalf of the Government of Turkmenistan, UNIDO had submitted a technical assistance project for the elimination of methyl bromide in the post-harvest sector. Approval of the project would result in the complete phase-out of all controlled uses of methyl bromide in the country by the end of 2013. All policy and cost issues had been successfully addressed by UNIDO. The agreed level of funding, excluding support costs, was close to US \$200,000.

181. One Member commented that the project, although useful, was unusual, as it addressed technical assistance. In his view, the Government of Turkmenistan and UNIDO should reduce the amount requested for technical assistance by half, so that the cost-effectiveness ratio would be similar to that of like projects. At the same time, the Committee might show leniency in the time it allowed for implementation.

182. The representative of UNIDO replied that halving the amount requested for technical assistance would totally alter the idea behind the project. As it was the first project for Turkmenistan proposed for approval by the Fund, there was a strong need for training. After discussing the matter with the Member in question, it had been agreed that the budget for the project would be reduced to US \$179,586, with agency support costs of US \$16,163.



183. Following the discussion, the Executive Committee decided to approve the technical assistance programme for the elimination of methyl bromide in the post-harvest sector in Turkmenistan at a total cost of US \$179,586 plus agency support costs of US \$16,163 for UNIDO, on the understanding that no additional funding would be provided for Turkmenistan for the phase-out of controlled uses of methyl bromide in the country.

**(Decision 59/38)**

Process agent

Democratic People's Republic of Korea: Phase-out of CTC as a process agent at the 2.8 Vinalon Complex and phase-out of CTC as a process agent at the Sinuiju Chemical Fibre Complex

184. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/59/29, said that UNIDO, on behalf of the Government of the Democratic People's Republic of Korea, had submitted two project proposals related to the phase-out of CTC in process agent applications, one in the Sinuiju Chemical Fibre Complex and the other in the 2.8 Vinalon Complex. The total funding for the two projects was US \$3,071,000 plus support costs. Both proposals were related to the CTC phase-out plan for the country approved at the 41<sup>st</sup> Meeting, and the issues presented were similar.

185. At previous Meetings, the Executive Committee had been informed that part of the equipment in two of the process agent plants to be converted was deemed to fall under the dual-use restrictions of the International Chemical Weapons Convention and United Nations Security Council Resolution 1718.

186. The Executive Committee had discussed a status report at its 55<sup>th</sup> Meeting and, by decision 55/12, had initiated cancellation of the plan by the end of April 2009. The Executive Committee had left open the possibility that, in the event that the country could not complete the conversion at the two sites, it could resubmit, no later than the 59<sup>th</sup> Meeting, a funding request for conversion of the two enterprises that complied with the Security Council resolution and the conditions of the International Chemical Weapons Convention. The submissions to the present Meeting related to decision 55/12 and provided alternative approaches for the two companies.

187. The project at Sinuiju would complete the phase-out of 108.9 ODP tonnes of CTC, while the project at Vinalon would finalize the phase-out of 172.7 ODP tonnes of CTC. The representative of the Secretariat suggested that the Executive Committee might wish to consider whether the liability for the substantial cost increase of the overall plan should rest with the Multilateral Fund. The Secretariat was not in a position to provide guidance regarding the eligibility of such costs under the circumstances described. However, the projects appeared to be technically feasible, the characteristics of the new products were similar to those of the products that had been abandoned, the costs for the approach taken were reasonable and the solution proposed did not appear to constitute a technological upgrade.

188. One Member recalled that consideration of support for other projects in the Democratic People's Republic of Korea had been deferred to the 61<sup>st</sup> Meeting of the Executive Committee (decision 58/25). Such a deferral was also justified in this case because it would allow consideration of all cases at the same Meeting, and the products in question were in any event readily available on the open market. In his view, the cost increase should not be borne by the Multilateral Fund.

189. Referring to decision 58/25, by which consideration of HPMPs for the Democratic People's Republic of Korea had been deferred, the Executive Committee decided to postpone a decision on whether to approve the project to phase-out CTC as process agent at Sinuiju Chemical Fibre Complex and at the 2.8 Vinalon Complex to its 61<sup>st</sup> Meeting.

**(Decision 59/39)**

Phase-out plan

Brazil: National CFC phase-out plan (eighth tranche)

190. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/21. He said that, on behalf of the Government of Brazil, UNDP, as the lead implementing agency, had submitted a request for funding for the final tranche of the national CFC phase-out plan, approved in principle at the 37<sup>th</sup> Meeting, amounting to US \$100,000 plus agency support costs. The request was accompanied by progress reports on implementation of the plan during 2008 and part of 2009, the implementation plan for 2010, a verification report for 2008 and MYA tables.

191. The unspent balance of the total approved funding after commitments and expected disbursements by the end of 2009 was expected to be US \$5.14 million. The annual implementation plan foresaw a number of activities but did not propose allocation of the remaining US \$5.14 million.

192. The Secretariat requested clarification from UNDP with regard to the unspent balance and the further activities needed. UNDP had indicated that it was not yet possible to decide on use of the remaining funds and had agreed with the Secretariat that the Committee might consider approving the tranche, while withholding disbursement until a plan for use of the unallocated funds had been agreed.

193. One Member commented that although the considerable amount that remained unspent, even after the final expenditures for 2009, might indicate efficient use of the funds, it would be important for the Executive Committee to see a detailed plan with specific activities for use of the remaining amount.

194. The Executive Committee decided:

- (a) To note the progress report on implementation of the national CFC phase-out plan (seventh tranche) in Brazil during 2008 and the verification report for 2008;
- (b) To approve:
  - (i) The implementation plan for 2010;
  - (ii) Funding of US \$100,000 and US \$5,000 as support costs for UNDP for the eighth and final tranche (2010) for the national CFC phase-out plan for Brazil;
- (c) To request UNDP:
  - (i) Not to commence disbursement of the funding approved by the present decision or any funding remaining after implementation of approved activities until the Executive Committee had approved, at a future Meeting, an implementation plan covering activities related to the remaining funds, including their timing;
  - (ii) To continue preparing annual reports on activities and expenditures according to the established formats;
  - (iii) To provide on an annual basis a verification of the national CFC phase-out plan for Brazil, until verification of the 2010 consumption had been submitted; and
- (d) To request the Secretariat to inform the Executive Committee at its 60<sup>th</sup> Meeting of the progress achieved in planning use of the unallocated funds.

**(Decision 59/40)**

Qatar: Terminal phase-out management plan (second tranche)

195. The representative of the Secretariat recalled that the project for the second tranche of the national ODS phase-out plan for Qatar had been transferred to the list of projects for blanket approval as the necessary country programme implementation data had been received.

Tunisia: National ODS phase-out plan (second tranche)

196. The representative of the Secretariat said that the request for funding had been withdrawn by the World Bank.

HPMPThe former Yugoslav Republic of Macedonia: HCFC phase-out management plan (first phase)

197. The representative of the Secretariat, introducing documents UNEP/OzL.Pro/ExCom/59/44 and Add.1, said that UNIDO had submitted the first HPMP to the Multilateral Fund on behalf of the Government of the former Yugoslav Republic of Macedonia. The requested cost of the HPMP was US \$1.53 million for the first stage of the plan until 2015. For the second stage, up to 2030, the need for an additional US \$2.4 million was foreseen. The HPMP closely followed the specifications in the guidelines adopted by the Committee in decision 54/39.

198. In the past, the country had paid particular attention to recovery and recycling, including of HCFCs. The recycling programme had been very successful: between 2001 and 2006, an average of 7.5 per cent of national CFC-12 consumption had been recycled. The HPMP included an overview of the consumption of HCFCs in the country, showing that consumption of HCFC-22 was related exclusively to the refrigeration service and equipment assembly sectors. HCFC-141b was imported as part of pre-blended polyol for foam blowing. The plan included a forecast for future use of HCFCs and an estimate of the freeze level.

199. The submission consisted of a differentiated plan up to 2015 and information on activities and implementation between 2016 and 2040. It contained policy instruments such as import quotas and taxes, activities such as the conversion of three foam manufacturers and further improvement of a recovery and recycling scheme, activities related to waste disposal, as well as training for technicians and customs officers. The HPMP submitted also foresaw funds to cover IS. The plan also included the introduction of an annual import quota for new air-conditioning equipment containing HCFCs and a quota for the import of bulk HCFC-22. The Government planned to impose a tax on imports of HCFC-using air-conditioning equipment and to raise the existing tax on bulk HCFCs. National activities and management of implementation would be coordinated by the National Ozone Unit (NOU).

200. The Secretariat considered that phase I of the HPMP represented an exceptionally well-formulated strategic programme, based on the experiences of previous programmes and on the legal and organizational foundation built by the country during the phase-out of CFCs and other ODS. The approach appeared to be targeted and effective and, given ongoing work on creating legal instruments, was likely to succeed in controlling consumption and thus in attaining the 2013 and 2015 compliance targets. The draft agreement proposed the baseline as the starting point for sustained aggregate reductions in consumption, which appeared to be consistent with the HPMP guidelines approved in decision 54/39. As the country did not know its baseline consumption, it had not provided a maximum allowable consumption for 2010-2012. In the absence of a target for allowable consumption up to 2012 and with approval of the final tranche in 2013, meaningful performance-based targets could not be provided for the HPMP, which only covered the period up to 2015. That appeared to be a generic issue for HPMPs.

201. The representative of the Secretariat drew attention to a number of issues associated with the submission, which were presented in document UNEP/OzL.Pro/ExCom/59/11 and had been discussed earlier in the Meeting. In addition, phase I of the HPMP included the setting-up of a waste disposal centre, but there was no indication whether, when or to what extent the Multilateral Fund would cover such an activity in addition to those directly related to the reduction of consumption.

202. One Member considered that the proposal should serve as an example for other countries to follow. Nevertheless, it raised many policy issues, some of which were being discussed in contact groups. Other aspects of the proposal appeared to go beyond what was needed for compliance with the 2013 and 2015 targets, among them funding for a waste disposal facility. She also noted that the cost-effectiveness ratio of the proposal was US \$38 per kg of ODS, which was much higher than that for the foam sector. Another Member said that he supported phase I of the HPMP and hoped that all the issues raised by the representative of the Secretariat and by the previous speaker could be resolved at the present Meeting so that the project could go forward.

203. The representative of the Secretariat said that some of the policy issues raised had been resolved, and earlier discussion in the Committee had shown that others represented no severe impediment to approval. The two remaining issues to be discussed, which had not been covered by the HCFC contact group, were the project component related to the use of HCFC-141b in pre-blended polyols and the eligibility of the proposed waste disposal facility. The country had informed the Ozone Secretariat that it was using HCFC-141b in imported pre-blended polyols and had reported the quantities involved.

204. One Member proposed that the project be approved, except for the activity related to foam production, while another suggested that the two foam operations be approved as demonstration projects. He agreed that the waste disposal facility would not be eligible for funding and should not be included. In that way, the refrigeration component of the HPMP could be approved, as could the IS component. Another Member commented that the Committee should not pick and choose parts of an HPMP for approval without an opportunity for discussion and without consulting the country, which would not now be possible due to the late hour although he would have liked to approve the first HPMP proposed to the Committee, he considered it injudicious to do so in haste, and suggested that its approval be deferred to a later Meeting.

205. The Executive Committee decided to defer approval of the HCFC phase-out management plan project for the former Yugoslav Republic of Macedonia to a future Meeting.

**(Decision 59/41)**

#### Refrigeration

##### Jordan: Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co.

206. Introducing document UNEP/OzL.Pro/ExCom/59/36, the representative of the Secretariat said that UNIDO, on behalf of the Government of Jordan, had submitted a project for the phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co., for which project preparation funding had been approved at the 56<sup>th</sup> Meeting. The funding requested for implementation of the project was US \$4,452,461 plus support costs. The representative of the Secretariat recalled that a number of issues arising from the review of the project had been considered by the Committee under agenda item 7(a).

207. The project proposal had two major components: the conversion of production of large air-conditioning units using 6.9 ODP or 125 metric tonnes of HCFC-22 to HFC-410a and HFC-407c, and the conversion of foam production using 1.2 ODP or 10.8 metric tonnes of HCFC-141b to pentane. The Secretariat had reviewed part of the project and had presented the interim status of the review to the

Executive Committee in document UNEP/OzL.Pro/ExCom/59/36. After issuing the document, the Secretariat had continued its review and a Senior Programme Officer had visited the factory on his way to Egypt. That visit had helped to clarify a number of technical issues.

208. An issue discussed with the agency prior to and during the visit to the enterprise had been the use of HFCs as an alternative to HCFC-22. UNIDO had highlighted the lack of non-HFC alternatives for a large part of the company's product range and had informed the Secretariat that it intended to change the alternative technology during implementation in the event of new developments, such as modification of standards for flammable refrigerants and the appearance on the market of low-GWP substances. During the visit, the enterprise had shown general willingness to develop and offer hydrocarbon technology for applications for which commercial viability had already been demonstrated. Doing so, however, would be subject to the availability of suitable compressors from a manufacturer and to receiving relevant orders from customers, since Petra Engineering manufactured to order.

209. A number of technical and cost issues were still being discussed by UNIDO and the Secretariat. Consequently, it was not in a position to provide a recommendation for funding. The representative of the Secretariat clarified that, as far he knew, the plant currently manufactured heat exchangers for its own use only.

210. Regarding the nature of the project, the representative of UNIDO said that UNIDO and the Government of Jordan had first intended to submit the project as a demonstration project because there were elements that could be replicated elsewhere in the region. They had, however, been requested to resubmit it as an investment project because the alternatives were already available on the market. The aim of the project now was to help Jordan in its efforts to meet its 2013 and 2015 obligations. Several Members expressed the wish for more concrete commitment from the company to begin manufacturing equipment with low-GWP alternatives and asked for a clearer indication of the proposed timeframe. The representative of UNIDO agreed to prepare a "road map".

211. One Member said that as the project proposal raised policy and technical issues, it could become a demonstration project, as such projects in the air-conditioning sector were desirable in light of paragraph 7(d) of decision XXI/9 of the Twenty-First Meeting of the Parties.

212. Following the discussion, the Executive Committee decided:

- (a) To treat the project at Petra Engineering Industries Co. as a demonstration project;
- (b) To request the Secretariat to review the demonstration project to phase out HCFC-22 and HCFC-141b in the manufacture of unitary air-conditioning equipment at Petra Engineering Industries Co., Jordan, on the basis that a conversion to HFC technology was acceptable for products for which no low-global warming potential technology had been commercialized and to urge the company to provide to the market hydrocarbon units for those types of equipment for which hydrocarbon technology was known to have been commercialized elsewhere on a similar scale; and
- (c) That the present decision was specific to the demonstration project in subparagraph (a) above and did not constitute a precedent for future project reviews.

**(Decision 59/42)**

213. The Observer for the Environmental Investigation Agency (EIA) highlighted her organization's concerns regarding the requests for HFC-based investment projects in China, Croatia and Jordan and the slow progress being made in the HCFC phase-out funding guideline contact group. With respect to the Chinese project for HCFC-141b conversion to HFC-245fa in spray polyurethane foam, EIA was

concerned that funds might be used to develop infrastructure for perpetuating the use of and reliance on high-GWP substances while sending a message that HFCs were acceptable. EIA supported the statement questioning the unsustainable use of HFCs in the proposed conversion of a Jordanian enterprise from HCFC-22 to HFC-410a and the recommendation that that technology change be postponed. Such examples of HFC investment projects were in contradiction with the discussions held at the Twenty-First Meeting of the Parties, which had considered two proposals to amend the Montreal Protocol to phase-down HFCs. The inability to agree on HCFC phase-out funding guidelines that would provide incentives for the use of climate friendly alternatives sent a worrying signal to the Copenhagen climate talks to be held in December 2009 that the Montreal Protocol might not yet be ready to address the issue of HFCs.

#### **AGENDA ITEM 8: COUNTRY PROGRAMMES**

214. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/49, containing the country programme for Somalia, submitted by UNEP on behalf of the Government of Somalia. The Secretariat had raised concerns on implementation of activities in the country given its state of unrest relating *inter alia* to financial disbursement and responsibility for financial reporting. It had also asked why the TPMP had not yet been completed. UNEP had responded that it had managed to organize monitored disbursement through the UNDP country office for Somalia, which was based in Nairobi, and that work with the designated focal point was going well.

215. Following the discussion, the Executive Committee decided:

- (a) To approve the Somalia country programme, noting that approval of the country programme did not denote approval of the projects identified therein or of their funding levels and was without prejudice to the operation of the Montreal Protocol's mechanism for addressing non-compliance; and
- (b) To request the Government of Somalia to present 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, paragraph 135), using the approved on-line format, and submitting the initial report covering the period 1 January 2009 to 31 December 2009 to the Fund Secretariat no later than 1 May 2010.

**(Decision 59/43)**

#### **AGENDA ITEM 9: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR**

216. In the context of a report on the status of the Sub-group on the Production Sector, a Member requested that the following statement be included in the report of the Meeting:

“MDIs were life-saving medication for asthmatic patients. While the production and consumption of CFCs was to be completely phased out by Article 5 Parties by 1 January 2010, an Essential Use Exemption (EUE) had been granted for pharmaceutical-grade CFCs for MDIs. In the absence of clear guidelines for developing countries, which did not have technology to manufacture non-CFC based MDIs, a proposal from Article 5 Parties had been submitted to the 29<sup>th</sup> Meeting of the Open-ended Working Group (OEWG) for consideration. The matter had been discussed in the contact group and an informal paper for the group's consideration had been submitted by India on behalf of Article 5 Parties. India and China had pointed out that they were not only the largest producers of CFCs but also the largest manufacturers of MDIs, and stressed that they could produce sufficient pharmaceutical grade CFC MDIs to meet their own domestic needs as well as those of all other developing countries at an affordable price and in an acceptable

form. They had also highlighted the fact that CFC production phase-out agreements did not stipulate that they were prevented from producing pharmaceutical-grade CFCs for other Article 5 Parties. The Twenty-First Meeting of Parties to the Montreal Protocol had adopted a decision directing the Executive Committee to review the agreements at its 59<sup>th</sup> Meeting so as to provide flexibility in terms of production from domestic producers or from import or reprocessing from existing stocks in order to meet the requirements for CFC-based MDIs in Article 5 Parties.

“During the discussions in the contact group formed by the 59<sup>th</sup> Meeting of the Executive Committee for the HCFC production sector, including essential use nominations (EUNs), one Member had pointed out that CFCs for manufacturing MDIs should be sourced only from the stockpiles available in the United States of America. It had been pointed out that the sourcing of CFCs from stockpiles had not been discussed in either of the contact groups, and following that clarification, the Member had stated that the review of both India’s and China’s agreements could take place only at the 60<sup>th</sup> Meeting of the Executive Committee. However, it was highlighted by another Member that asthmatic patients in Article 5 Parties could not afford to wait without a supply of CFC MDIs – a life-saving drug – for a period of six months for want of decisions by the Executive Committee. Moreover, Article 5 Parties should have the sovereign right to decide from where they wished to source their pharmaceutical-grade CFCs. Clarification had been sought as to how the United States of America had managed to accumulate such a large stockpile of pharmaceutical grade CFCs as of the year 2009, when they had been receiving EUEs under the Montreal Protocol for more than a decade. Over that period, Article 5 Parties had taken a considerate view of the EUNs of non-Article 5 Parties, and had never forced them to import pharmaceutical-grade CFCs from Article 5 countries. It had been pointed out that the domestic regulations in India and China could not be compared with the regulations in other non-Article 5 Parties. The problem was a “life and death” one for asthmatic patients. If no supply of MDIs was available to patients, not only would the governments of the respective Article 5 Parties be responsible, but also the institutions forming part of the Montreal Protocol, which could ultimately lead to serious litigation. Since the agreements of India and China had not been reviewed at the 59<sup>th</sup> Executive Committee Meeting, it was stressed that both India and China would continue to produce pharmaceutical-grade CFCs for the manufacture of MDIs in order to meet their requirements, as well as the requirements of other MDI-manufacturing Article 5 Parties, in accordance with decision 21/4 of the Twenty-First Meeting of the Parties. The recommendations of the contact group on EUEs were not acceptable to Article 5 Parties.”

217. The representative of Australia, as facilitator of the Sub-group, introduced documents UNEP/OzL.Pro/ExCom/59/50 and Corr.1, which contained the report of the Sub-group. Concerning the request in paragraph 6 of decision XXI/4 of the Twenty-First Meeting of the Parties, the Sub-group had addressed the issue extensively and had underlined the importance of ensuring the supply and the possibility of using existing stockpiles for that purpose. As one Member was not in a position to address the issue at the present Meeting and given the need to consider the terms and conditions of any revision, the Sub-group had agreed to review the agreements for China and India at its next meeting.

218. The Executive Committee decided:

- (a) To note that the Sub-group on the Production Sector had considered the “Analysis of the technical feasibility of redirecting HCFC-22 production from controlled uses to feedstock uses” prepared by the Fund Secretariat;
- (b) Also to note that the impact on costs of downstream facilities as a result of possible conversion were not addressed in the analysis but could be addressed in the context of technical audits;
- (c) To request:
  - (i) Eligible countries ready to phase out the production of HCFCs to submit a draft

sector phase-out strategy (that should include an industrial rationalization strategy, as appropriate) and preliminary data on its HCFC plants, using the forms adopted at the 19<sup>th</sup> Meeting of the Executive Committee (decision 19/36);

- (ii) Eligible countries ready to proceed with the phase-out of HCFC production to submit a request for auditing of their HCFC plants;
- (iii) The Secretariat to modify the terms of reference for the technical audit adopted at the 32<sup>nd</sup> Meeting, as appropriate, to meet the audit needs of the production of HCFCs and to submit them to the Executive Committee for consideration as soon as possible but no later than the 61<sup>st</sup> Meeting;
- (d) To acknowledge the importance of assuring the supply of pharmaceutical-grade CFCs for Parties with essential use exemptions in accordance with decision XXI/4 of the Twenty-First Meeting of the Parties;
- (e) To request the Secretariat to report to the 60<sup>th</sup> Meeting on the terms and conditions under which the existing CFC production agreements with China and India and associated accelerated phase-out agreements might be modified, taking into account the discussion at the Sub-group in accordance with decision XXI/4, paragraph 6, of the Twenty-First Meeting of the Parties.
- (f) That the Sub-group on the Production Sector should review decision XXI/4, paragraph 6, at its next meeting;
- (g) To consider, within the Sub-group on the Production Sector, giving priority to phasing out production of HCFCs with larger ODP values first, taking into account national circumstances, and the requirements for parallel reductions in the consumption sector, consistent with decision XIX/6 of the Nineteenth Meeting of the Parties;
- (h) To defer the issue of a cut-off date until the Executive Committee had addressed the matter with respect to HCFC consumption;
- (i) To note that the Twenty-First Meeting of the Parties had:
  - (i) Encouraged Parties with essential use exemptions in 2010 to consider sourcing required pharmaceutical-grade CFCs initially from stockpiles where they were available and accessible;
  - (ii) Encouraged Parties with stockpiles of pharmaceutical-grade CFCs potentially available for export to Parties with essential use exemptions in 2010 to notify the Ozone Secretariat of such quantities and a contact point by 31 December 2009;
  - (iii) Decided that the Parties listed with authorized essential use exemptions should have full flexibility in sourcing the quantity of pharmaceutical-grade CFCs to the extent required for manufacturing metered-dose inhalers, either from imports or from domestic producers or from existing stockpiles;
- (j) To encourage Parties to take every practicable step consistent with Multilateral Fund programmes to ensure that the best available and environmentally safe substitutes and related technologies were transferred from Article 2 Parties to Article 5 Parties under fair and most favourable conditions; and



- (k) To promote substitutes, alternatives and practices in Multilateral Fund programmes to minimize other impacts on the environment, including on the climate, taking into account global-warming potential, energy use and other relevant factors whenever possible.

(Decision 59/44)

**AGENDA ITEM 10: COST CONSIDERATIONS SURROUNDING THE FINANCING OF HCFC PHASE-OUT**

- (a) **Prioritization of HCFC phase-out technologies to minimize other impacts on the environment (decision 57/33 and paragraph 147 of the report of the 58<sup>th</sup> Meeting of the Executive Committee)**

219. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/59/51 and Add.1, containing background to and a description of the current status of the Multilateral Fund climate impact indicator (MCII), which was the term now used instead of the former “functional unit approach”. He explained that the MCII would be applied only to the conversion of manufacturing capacity to replacements or to closures relating to ODS consumption. Its objective was to forecast the approximate climate impact of a single activity, although the aggregation of several activities was possible, allowing calculation of the approximate climate impact for an entire sector or country.

220. The indicator was determined on the basis of emission data and energy-consumption information, and by using a scientific model that provided differentiated results using relatively few data inputs and a large amount of background data. The information generated by the indicator was a set of quantitative data that could be used for two different purposes: identification of the alternative with the least climate impact; and calculation of the approximate climate impact of the conversion to that alternative.

221. The scientific part of the model had essentially been completed and already allowed calculations, as demonstrated by the examples in the addendum to document UNEP/OzL.Pro/ExCom/59/51. However, some work remained in order to make the model broadly accessible. The Secretariat suggested that, in parallel to ongoing work to make it more user-friendly, the indicator should begin to be used in order to test it, and that issues relating to the indicator be discussed further at the 60<sup>th</sup> Meeting. The Secretariat also informed the Meeting that the costs of the proposed work would amount to US \$50,000.

222. Committee Members and representatives of implementing agencies said that they were very encouraged by the MCII, agreeing that it was potentially a useful model albeit still in its early stages. It seemed robust enough to give reliable and useful results. Trial application was required, and several Members and representatives of implementing agencies welcomed the opportunity to begin testing the model, although they stressed that it was too soon to use it as a criterion for decisions regarding submissions to the Executive Committee. It was suggested that the model be used to generate information about projects submitted to the 60<sup>th</sup> Meeting, but for information purposes only. It had, however, great potential if developed properly. Several Members and implementing agencies requested the opportunity to contribute to refining the model. It was pointed out, however, that a simple alternative to the model would be calculation of GWP by CO<sub>2</sub> equivalent of ODS tonnage, which had been used by the Secretariat for foam projects submitted to this meeting.

223. Given that forecasting climate change impact was a rather complex issue, especially for those Members unused to dealing with climate change issues, the representative of the Secretariat was asked to present one of the examples in the addendum in more detail. Expressing appreciation for the clarifications provided, several Members said that it would be even more useful if they had access to the technical data sets underlying the calculations, for their own use, for submission to any relevant national bodies and for peer review purposes. The representative of the Secretariat said that the technical data and the description of the model would be posted on the MLF intranet for consultation and comment by Members and implementing agencies.

224. Several Members asked for further clarification of specific issues. In response to a question on the calculation of emissions, the representative of the Secretariat explained that it comprised two elements: the emission of the substance and emissions caused by the energy consumption. The values provided related to the emissions from the total products arising from one annual production of a plant throughout their lifetimes. The assumption was that, until projects on the collection of ODS were sufficiently advanced, all ODS would be released over the product's lifetime (100 per cent release), apart from commercial equipment that had high leakage rates and had to be recharged, thus releasing more than one filling over its lifetime. Both energy consumption and emissions of substances were calculated on the basis of a comparison between the status of HCFCs and that of alternatives. That difference was considered to be the increment.

225. In response to a question about whether systematic application of the model to project submissions for the Executive Committee's consideration would place a heavy burden on the Secretariat and require more human resources, the representative of the Secretariat said that once application of the model became second nature, calculations could be done with relative ease and speed and should not incur additional work.

226. With regard to the usefulness of the indicator for assisting efforts to secure co-financing for projects with climate benefits if other agencies had other methods for calculating climate impact, the representative of the Secretariat said that the data set required as input for any climate-related calculation would be the same. The indicator could therefore provide a good forecast of the actual emissions on an annual basis, as typically used for national inventories or mitigation projects.

227. Following the discussion, the Executive Committee decided:

- (a) To note the paper prepared by the Secretariat on prioritization of HCFC phase-out technologies to minimize other impacts on the environment (UNEP/OzL.Pro/ExCom/59/51 and Add.1);
- (b) To discuss the type of incentives to be associated with the Multilateral Fund climate impact indicator (MCII), and other relevant questions relating to it, at the 60<sup>th</sup> Meeting;
- (c) To demonstrate the application of the MCII to a subset of project submissions, from the 60<sup>th</sup> Meeting onwards, that will inform agencies and countries about the climate impact of technology choices and to request the Secretariat to collect further data on the use of the MCII for the Executive Committee's consideration;
- (d) To request the Secretariat to finalize the development of the MCII, as outlined in the Secretariat's paper, using the examples provided by the Secretariat in the Annex of document UNEP/OzL.Pro/ExCom/59/51/Add.1 as a basis for the output to be provided;
- (e) To request the Secretariat to make the underlying data, the methodology used, and preliminary working models of the software available on the intranet to bilateral and implementing agencies and to Members of the Executive Committee;
- (f) To approve the related work, including programming of software, at a budget of US \$50,000; and
- (g) To request a report from the Secretariat on the experience gained in implementing subparagraphs (c) and (d) above, to be submitted not later than the 62<sup>nd</sup> Meeting of the Executive Committee.

**(Decision 59/45)**

**(b) Analysis of new approaches on second-stage conversions, determination of cut-off date and other outstanding HCFC policy issues**

228. The representative of the Secretariat said that, following a request made at the meeting held on 13 November 2009 by the contact group established at the 58<sup>th</sup> Meeting, the Secretariat had prepared a document, which was available on the intranet, containing an analysis of HCFC phase-out in the refrigeration servicing sector in Article 5 countries with ODS consumption below 360 tonnes. The countries had been divided into nine groups according to level of CFC consumption; for each group, minimum, maximum and average funding levels had been calculated, including an adjusted value. The adjusted values were similar to the average values at all levels of consumption, with one exception, namely in the 80–120 tonnes range. Past experience regarding funding levels for service sector activities might be used to determine future funding needs for HCFC phase-out activities. Projects in countries with a consumption above 200 metric tonnes cost less than US \$5/kg, and it was proposed that the maximum funding level be adjusted up to US \$1.6 million for countries with consumption between 200 and 320 tonnes and up to US \$1.8 million for those with consumption between 320 and 360 tonnes. Extra effort would be required from Article 5 countries in order to achieve the 10 per cent reduction in HCFC consumption, and an adjustment in the level of funding of 10 to 20 per cent might be considered. In addition, funding levels for countries with consumption of up to 10 metric tonnes might not be sufficient to meet the 2015 or 2020 compliance targets, and might be increased to a similar level to that of countries with consumption between 10 and 15 metric tonnes.

229. During the discussion, it was pointed that, unless solutions were found, it would be difficult to achieve the 10 per cent reduction target by 2015. Consumption in a number of Article 5 countries had fallen as a result of the financial crisis but was likely to increase with economic recovery, and alternatives had to be found to satisfy market demands. The experience gained in phasing-out CFCs over the previous 20 years should be taken into account, regulatory policies adopted and incentives given to enterprises participating in the first stage of the phase-out activities. Cooperation was important, as was a stable and sufficient supply of funding to cover the cost of the accelerated phasing-out of HCFCs.

230. Reporting back on the discussions, Australia as the convener of the contact group on HCFC costs said that unfortunately the group had been unable to make a recommendation to the Committee. The outstanding issues related to the cut-off date, the level of incremental operating costs, funding provided to the servicing sector, and incremental capital costs. Members were encouraged to use the time before the next Executive Committee Meeting to work on new models and approaches with a view to resolving the outstanding issues.

231. The Executive Committee decided to defer discussion of the outstanding HCFC issues, namely those related to the cut-off date, the level of incremental operating costs, funding provided to the servicing sector, and incremental capital costs to the 60<sup>th</sup> Meeting.

**(Decision 59/46)**

**AGENDA ITEM 11: INSTITUTIONAL STRENGTHENING: OPTIONS FOR FUNDING AFTER 2010**

232. The Chair reminded the Committee that the Twenty-First Meeting of the Parties had taken a clear decision on the issue of funding for IS.

233. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/53, which referred to document UNEP/OzL.Pro/ExCom/58/48, “Institutional strengthening: options for funding after 2010 (follow-up to decision 53/39 and decision 57/36(b))”. She recalled that the Executive Committee at its 57<sup>th</sup> Meeting had decided that IS should be discussed in the general context of funding for HCFC phase-out and had deferred a decision to the 58<sup>th</sup> Meeting. At that meeting, no conclusion had been reached regarding funding for IS, and therefore the Secretariat had no basis for considering renewal

of funding for IS beyond 2010. The Executive Committee might wish to continue its deliberations on funding for IS beyond 2010, taking into account the outstanding issues listed in the annotated agenda (document UNEP/OzL.Pro/ExCom/59/1/Add.2). In response to a number of queries, the representative of the Secretariat said that there had been no time to incorporate the decision of the Twenty-First Meeting of the Parties on IS into the documents for the present Meeting.

234. Several Members drew attention to the implications of the Executive Committee's decision on funding for IS renewals that had already been approved under agenda item 7(a) of the present Meeting, in view of the 31 December 2010 deadline for funding. They noted that, depending on the outcome of the contact group on HCFC cost issues in which IS was included, that deadline might be extended.

235. After the discussion, it was proposed that the Secretariat prepare a new document that included both elements and the spirit of the decision of the Twenty-First Meeting of the Parties on IS and the outcome of discussions at the present Meeting, for consideration at the 60<sup>th</sup> Meeting of the Executive Committee. One Member proposed to work with several interested Members to propose text for a decision that would reflect all the comments made including the decision of the Twenty-First Meeting of the Parties on IS.

236. The convenor of the contact group on outstanding issues related to costs for HCFC phase-out said that in the discussion on funding for IS a consensus had been reached on extending financial support for IS for Article 5 countries beyond 2010, but there had been varying views on whether it should be extended beyond the end of 2011. He mentioned that the current text of a draft decision had two dates, up to December 2011 and December 2030, as options for the extension.

237. The Executive Committee decided:

- (a) To extend financial support for institutional strengthening (IS) funding for Article 5 Parties beyond 2010 up to December 2011; and
- (b) To allow Article 5 Parties to submit their IS projects as stand-alone projects or within their HCFC phase-out management plans.

**(Decision 59/47)**

238. One Member expressed his concern that, although the Twenty-First Meeting of the Parties had reached a clear decision regarding the extension of financial support for IS, the Executive Committee had been unable to do so. The absence of a decision on the matter put Article 5 countries in a difficult administrative situation as IS elements especially the operation of the NOU would be jeopardized. He wished to record his disenchantment and concern with regard to the inability of the Committee to come to a decision on the fundamental issue of continued IS support consistent with the guidance provided by the Twenty-First Meeting of the Parties.

239. Another Member responded that using December 2011 as a date beyond 2010 was an interim measure to allow countries to submit requests for IS renewals to the 60<sup>th</sup> Meeting while the Executive Committee finalized options for funding IS beyond 2010 in the context of the discussions on HCFC cost issues.

**AGENDA ITEM 12: FURTHER CONCEPT PAPER FOR A SPECIAL FUNDING FACILITY FOR ADDITIONAL INCOME FROM LOANS AND OTHER SOURCES (DECISION 58/37)**

240. The representative of the Secretariat, introducing document UNEP/OzL.Pro/ExCom/59/54, said that it addressed questions raised at the 58<sup>th</sup> Meeting in decision 58/37 with respect to a special funding facility. It defined the facility as a potential source of funding to maximize environmental benefits and as a store for funds that might accrue to the Fund from credits for energy efficiency and climate benefits. It included a discussion on the added value of using the facility rather than the Fund to finance climate benefits. The Treasurer had made a detailed assessment of the extent to which the treasury function could accommodate carbon credits and had concluded that UNEP as Treasurer would probably have to encash any credits upon receipt. It was pointed out that UNEP had, however, been innovative in accommodating the requests of the Meeting of the Parties for special treatment of contributions through the fixed-exchange-rate mechanism and promissory notes. The document contained an annex prepared by UNDP on the role of carbon markets as a financing source for the facility. The Executive Committee was being asked to consider any further action with respect to the facility and the requests of the implementing agencies for resource mobilization. The Secretariat's presentation was followed by those of implementing agencies and by Sweden on a proposed informal text.

241. The objective of the concept presented by the representative of the World Bank's Treasury was to make more funds available earlier (scale up funding) to maximize ozone and climate benefits through donor and market mechanisms and carbon financing. He suggested that scaling up funding could serve to meet the objectives of decision XIX/6 of the Nineteenth Meeting of the Parties to achieve climate benefits. He said that scaled up funding could bring significant benefits for the global environment through reduction of CO<sub>2</sub>, the use of more energy-efficient techniques, avoidance of the leakage of large volumes of ODS with high-GWP and reduction of ODS banks. He explained that such funds for projects could also be fully absorbed by those demands and, cited specifically their use with respect to HPMPs.

242. The representative of the Bank showed several graphs illustrating the benefits of financial engineering for a greater global impact on the environment. For example, acceleration of projects over five years would result in the elimination of around 30,000 ODP tonnes.

243. A number of alternative mechanisms had been explored for the use of financial instruments for a greater global environmental impact. The first alternative was to scale up donors' contributions in the short and medium terms. The second consisted of the use of bonds to accelerate donor funding, secured by legally binding commitments of donors over a longer period. The third alternative consisted of the second alternative with the addition of the use of financial engineering (loans through the World Bank) to translate carbon credits for immediate use since such carbon assets were normally only available as cash when the enabling projects were completed.

244. In the ensuing discussion, Members raised a number of specific questions on the mechanism that had been presented. In reply to a question concerning the rate of inflation that had been used to estimate the loss of dollar value between the present and 30 years hence, the representative of the World Bank Treasury said that the main additional benefits would derive not from dollar inflation but from eliminating the sources of leakage of emission of GWP gases sooner rather than later.

245. A comment was made that the Bank's model might have fewer global environmental benefits than predicted because some new equipment would have to be replaced. The representative of the World Bank replied that the model had assumed that the life expectancy of such equipment was 10 to 15 years. As the model covered 10-20 years, the amount of new equipment to be replaced would be limited and the energy efficiency gain had been estimated to be 30 per cent.

246. The commitment by donors to make future contributions would be discounted to the present and a financial agent would issue bonds to private investors based on the legally binding commitments of

donors. The interest paid to investors was already taken into account in the model and the transaction costs of the financial agent would have to be absorbed by future contributions.

247. In answer to a query regarding the procedure whereby the countries would access funds from the facility, the Bank advised that the documentation required for project proposals under the Multilateral Fund would not be affected. Moreover, the existing role of the Executive Committee would not be changed with respect to the approval of projects. In response to concerns about the risk of bonds associated with guaranteed commitments, the representative of the Bank indicated that there would be no risk for Multilateral Fund resources, because the risk would be absorbed through the proposed mechanism. The mechanism had already been used previously, and the bonds would be triple A rated. A similar facility, the International Finance Facility for Immunization, had been used successfully resulting in more people being vaccinated earlier than would have been the case without the Facility, thus saving lives. In such facilities, the money was invested very securely and was used as liquid assets.

248. The representative of the World Bank Treasury, replying to one Member's question, said that it had experience and expertise in market volatility and envisaged a structure to mitigate the associated risks.

249. The representative of UNDP gave a short presentation on a facility to develop and establish compliance carbon markets as a source for financing ODS climate benefits, which was based on Annex I to document UNEP/OzL.Pro/ExCom/59/54, which it had prepared. He suggested that voluntary carbon markets (VCM) provided an opportunity for "learning by doing" over the short term in advance of compliance markets, however, the voluntary market was unlikely to absorb the significant supply of ODS credits. A medium-term option was the development of an ODS climate facility consisting of a donor-led fund and an accompanying oversight framework. Under that facility, the Montreal Protocol bodies would have a key role in the oversight framework, with the Ozone Secretariat acting as the registry. Components of the ODS climate facility were set out in Annex 1 to document UNEP/OzL.Pro/ExCom/59/54. UNDP suggested initially that its proposed climate facility would cover costs of a defined number of high quality, diverse demonstration projects funded on the basis of incremental costs with an accounting for carbon credits. In the long term, if the ODS climate facility was successful, the aim was to link ODS direct emissions to the compliance carbon markets, and to arrive at a situation where compliance carbon markets financed ODS climate benefit costs. Responding to a question raised, he said that high-quality, robust credit alone would not be sufficient to gain access to compliance markets, which might not be limited to those under the United Nations Framework Convention on Climate change (UNFCCC), but also include domestic and regional markets.

250. The representative of UNIDO said that his Organization had a specific mandate to link industry with energy and the environment. It had a branch dealing with climate change matters and another with chemical destruction, and was currently chairing the United Nations Energy Group. It was seeking to develop concepts and methods to identify and quantify the additional environmental benefits of HCFC phase-out and ODS destruction activities, and to identify sources of financing for additional climate benefits, as well as the most effective combination of different sources of financing. UNIDO was considering a variety of financial options to maximize the benefits of the ODS bank destruction projects and co-financing from UNIDO. Private sector involvement was also being sought through the producer responsibility programme, and the response so far had been positive. With regard to HCFC phase-out projects, he said that a combination of financial sources would be required to maximize the benefits for HPMP implementation. Efforts were also being made to develop a sector or national approach to address the needs of small and medium-sized enterprises (SMEs). The concepts and methodologies being developed by UNIDO in two pilot projects on HCFC phase-out and management and destruction of ODS banks would serve as a model for other projects. Lastly, he noted that UNIDO would be convening a conference on carbon financing in 2010 focusing on Montreal Protocol activities.

251. The representative of the World Bank introduced the main findings of the final draft of its study on financing the destruction of unwanted ODS through the voluntary carbon market (UNEP/OzL.Pro/ExCom/59/Inf.2). The study had been prepared under a contract with ICF International. The Bank had established a steering committee with representation from the Voluntary Carbon Standard (VCS), the Chicago Climate Exchange (CCX) and the Climate Action Reserve (CAR), permitting close interaction with those bodies and direct exposure to the rapid developments in the market for the inclusion of ODS as an offset project type.

252. The study had concluded that significant opportunity existed for ODS destruction projects under the VCM in a distinct time-frame but depended on a number of factors, including the attractiveness and value of an ODS offset, growth of the voluntary market, rates of ODS recovery and development of capacity in project monitoring and verification. The study had determined that ODS destruction credits were unlikely to flood the market or have a negative impact on compliance markets. It was expected that a global market platform would be created with the three standards that would enable carbon credits to be provided for ODS destruction by early 2010, including one standard allowing destruction to take place in Article 5 countries. Along with the methodologies currently available and protocols of CCX, which already offered ODS destruction as a project type, and CAR, there would be a number of options for financing ODS destruction offset projects.

253. The study found, however, that although the VCM could be one source of financing for ODS destruction and could complement global and local approaches to dealing with unwanted ODS, it was not a panacea. Some ODS would not be recovered by the VCM, and the cost compared to revenue might be prohibitive depending on the “effort” level to extract ODS, the project size and the price of credit per tonne of CO<sub>2</sub> equivalent. Given those and other challenges, the study suggested possible roles that actors in the existing Montreal Protocol community could play towards an enabling framework, from Article 5 countries to the Ozone and Multilateral Fund Secretariats, the TEAP and the implementing agencies. The study also contained rules and procedures for the three standards mentioned above, a guide to developing ODS destruction offset projects, and steps for Article 5 countries to address such standards.

254. Replying to a question from the Chair, the representative of the World Bank explained that the assumption of a recovery and destruction rate of 10 per cent had been founded largely on data based on experience in the United States of America and represented the midpoint in a range that had been under consideration. Written comments from Members would be welcome over the next month so that ICF International could finalize the report by the end of 2009.

255. The representative of Sweden introduced a discussion paper entitled “Montreal Protocol Multilateral Fund special funding facility (‘SFF’)”. He highlighted the fact that the facility was a time-limited instrument that was to give priority to projects related to pollution prevention and abatement of the threat to stratospheric ozone and mitigating climate threats. He described its administration, the modalities of its operation, its reporting requirements and other provisions. It was clarified that a more substantial discussion would be welcomed at the 60<sup>th</sup> Meeting of the Executive Committee.

256. One Member expressed broad support for the paper and said that it had well characterized the major features of a facility and an option to move forward, which would be of use to the Secretariat in its presentation of the issue to the Open-ended Working Group at its 30<sup>th</sup> meeting. The text should be made available to the Open-ended Working Group, together with an addendum containing the information outlined in the other presentations during the present Meeting. She said that the facility should have a clear scope; provide a means of accessing capital; could be initially capitalized by voluntary contributions from Parties and other sources; absorb risks in accessing climate markets; provide an opportunity to address environmental benefits beyond those required by Article 10 of the Protocol; and serve as a means of receiving a return on investment with some premium.

257. Another Member observed that the decision of the Meeting the Parties to consider a special funding facility suggested that the Committee could not on its own take a decision to create such a facility but instead required the Committee to discuss some options for its consideration. He said that it was difficult to understand how the elements of a facility would fit together on the basis of the mandate. The facility and climate impact indicators, which would provide information concerning climate benefits and the energy efficiency of equipment, were all being considered in isolation but they would have to be brought together in order to implement the mandate of decision XIX/6 paragraph 11(b). Otherwise, it was difficult to see what the facility would be doing compared with what the Multilateral Fund should be doing under decision XIX/6. He said that there had to be discussion under a single agenda item covering all aspects of the issue.

258. A Member urged caution and expressed the view that using the carbon market would fundamentally change the Fund's work. The area of application of the facility should be very clearly distinct from that of the Fund. The Fund had a clear mandate to provide stable and sufficient funding in respect of HCFC phase-out. Participation in unclear carbon markets would undoubtedly be undertaken at great risk, might even lead to negative results and impact negatively on the achievements of the Fund over the past 20 years. There might be too high a level of uncertainty to allow the Fund to become involved in the carbon market. The Fund should not evolve from a funding mechanism into a banking institution geared to profit. If national ozone units were to take the lead, his own country lacked both the capability and the resources for it. There had to be further detailed study of whether such a funding facility was needed, the level of expected benefits and possible risks, as well as the policy and legal issues.

259. Several Members, agreed with the two previous speakers on the dangers and risks and the need to bring together issues currently being considered in isolation and said that it would be wise to follow the request from the Meeting of the Parties to observe developments. Another agreed that the Fund should not steer away from its very specific objectives and tasks, and expressed concern about the funding facility scenarios.

260. Expressing serious anxiety regarding the scaling up of available funding, one Member said that highly volatile carbon markets were a hazardous place for the Multilateral Fund's resources. To his knowledge, the CCX had fluctuated between seven dollars and 50 cents since he started reviewing information on it. Great care should be taken not to send false signals to the markets. Discussion of the issue should continue. One Member said that her delegation had always expressed reservations concerning financial mechanisms under the Kyoto Protocol, and it would have to review the situation with respect to the Montreal Protocol very carefully.

261. Another stated that it was important to respond to the request of the Meeting of the Parties. The Executive Committee should provide input to the Open-ended Working Group, and should decide at an early stage in its 60<sup>th</sup> Meeting whether to establish a contact group to consider the agenda item, contributions to which should be submitted by delegations within one month of the end of the current Meeting. Information on climate indicators presented at the current Meeting should also be included in the paper to be presented to the 60<sup>th</sup> Meeting.

262. One Member said that, if it was decided to continue discussion of the topic at the 60<sup>th</sup> Meeting, the decision on ODS destruction should be borne in mind, while another suggested that the special funding facility was to be regarded as a mechanism for ODS destruction and/or for other purposes. With regard to the requests for resource mobilization from UNDP, UNIDO and the World Bank, it was proposed that they be carried over to the 60<sup>th</sup> Meeting.

263. Following the discussion, the Executive Committee decided to request the Secretariat to consolidate the material presented during the Meeting on the Special Funding Facility, with any additional contributions submitted by Members by the end of 2009, into a single agenda item addressing



both the Facility as well as any issues related to decision XIX/6 paragraph 11(b) of the Nineteenth Meeting of the Parties for consideration at its 60<sup>th</sup> Meeting.

**(Decision 59/48)**

### **AGENDA ITEM 13: ACCOUNTS OF THE MULTILATERAL FUND**

#### **(a) 2008 final accounts**

264. The representative of the Treasurer of the Multilateral Fund introduced document UNEP/OzL.Pro/ExCom/59/55, which presented the final 2008 accounts of the Multilateral Fund that formed part of the UNEP financial statement audited by the United Nations Board of Auditors. He explained that two implementing agencies had reported additional interest income of some US \$526,000 and net adjustments of US \$145,000 to the aggregated expenditure level. Those adjustments would be effected in the accounting books of the 2009 financial year. He also informed the Executive Committee that the final audit report on UNEP's financial statement for 2008 had yet to be received.

265. Following the discussion, the Executive Committee decided:

- (a) To note the audited financial statement of the Fund as at 31 December 2008;
- (b) To note that the final audit report on the 2008 financial statement would be submitted to the Committee as soon as it became available; and
- (c) To request the Treasurer to record in the 2009 accounts the differences between the agencies' provisional statements and their final 2008 accounts as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExComm/59/55.

**(Decision 59/49)**

#### **(b) Reconciliation of the accounts (decisions 57/38 and 58/39)**

266. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/59/56, which had been prepared by the Secretariat in consultation with the Treasurer and the implementing agencies concerned, and presented one outstanding reconciling item for the World Bank from 2006 (an excess of US \$303 in income), another from 2007 (US \$1,510,471 due to the Bank, which needed further verification before it could be refunded), and the 2008 reconciliation of the accounts exercise.

267. She reminded the Committee that an amount of US \$2,686,741 was due to the Bank. Of that amount, US \$1,176,270 had been released to the Bank at the 57<sup>th</sup> Meeting and the remaining amount of US \$1,510,471 needed further clarification. Based on the Bank's reports and extensive consultation between the Treasurer and the Bank, the representative of the Secretariat advised the Committee that the Treasurer was satisfied with the Bank's explanation that US \$870,549 of that amount related to a double deduction on the promissory notes, and US \$640,225 related to unrealized investment gain reported twice to the Treasurer by the Bank. On that basis, US \$1,510,471 needed to be transferred to the Bank. That amount took into account US \$303 relating to the 2006 reconciling item on approved amounts, which had been resolved.

268. The representative of the Secretariat briefly touched on the findings of the 2008 reconciliation of accounts exercise and the Secretariat recommendation presented in document UNEP/OzL.Pro/ExCom/59/56.

269. Following the presentation, the Executive Committee decided:

- (a) To note:
  - (i) The reconciliation of the accounts as presented in document UNEP/OzL.Pro/ExCom/59/56;
  - (ii) That the World Bank had adjusted its inventory of projects by US \$303 and that the 2006 outstanding reconciling item of the US \$303 from the World Bank on approved projects had been closed; and
  - (iii) That all agencies had completed their 2006 reconciliation at approval, income and expenditure levels;
- (b) To note with appreciation the report provided by the World Bank on the outstanding 2007 reconciling item of US \$1,510,471;
- (c) To request the Treasurer to return the amount of US \$1,510,471 to the World Bank based on:
  - (i) The double reporting and deduction by the Treasurer of US \$870,549 of the promissory note gains;
  - (ii) The double reporting and deduction by the Treasurer of US \$640,225 on the unrealized investment loss;
  - (iii) The return of US \$303 from the Bank to the Fund.
- (d) To note the following outstanding reconciling items in the 2008 reconciliation of the accounts exercise:

UNDP

- (i) An additional amount of US \$11 in UNDP's records of approved projects to be aligned with the 2008 approved projects as per the Secretariat's Inventory;
- (ii) US \$18,567 in expenditure reported by UNDP as a project-level error adjusted in the progress report but not adjusted in the 2008 accounts;

UNEP

- (iii) A shortfall of US \$176,401 against project GLO/SEV/50/TAS/276 in the approved amounts in the progress report, to be adjusted in accordance with UNEP's balance report to the 59<sup>th</sup> Meeting;
- (iv) A shortfall of US \$1,905 in the 2008 expenditures in the accounts reported as expenditure in the 2009 accounts;

UNIDO

- (v) A US \$14 surplus in UNIDO's income;
- (vi) A US \$208 shortfall in 2008 final expenditures; and

World Bank

- (vii) The 2008 standing reconciling item of US \$5,375,000 in the World Bank's income related to the United States of America bilateral project in China on accelerated production phase-out (CPR/PRO/47/INV/439);
- (e) To request the Treasurer to carry 2008 adjustments forward to 2009 by:
  - (i) Recording the amount of US \$297,686 related to UNDP 2008 expenditure in 2009; and
  - (ii) Recording of the amount of US \$504,841 related to UNDP's 2008 interest income in 2009.

**(Decision 59/50)****AGENDA ITEM 14: AGREEMENT BETWEEN UNEP AS TREASURER OF THE MULTILATERAL FUND AND THE EXECUTIVE COMMITTEE**

270. The Chief Officer introduced document UNEP/OzL.Pro/ExCom/59/57, which contained a proposal submitted by the Treasurer on its agreement with the Executive Committee, with a budget breakdown that reflected an increase of US \$50,100. She advised that, under the 2004 agreement between the Executive Committee and UNEP as the Treasurer, services were provided by the Budget Financial and Management Services of the United Nations Offices in Nairobi. That arrangement had changed in 2007, and services were now provided by the newly established Corporate Services Section within UNEP's Executive Office. The Treasurer had indicated that the cost structure as per the previous agreement had changed in line with the new arrangement within UNEP and was reflected in the new cost structure.

271. When considering the attached proposal, the Chief Officer suggested that the Executive Committee might wish to bear in mind the fact that the 2004 agreement with UNEP did not contain a clause requesting the Treasurer to submit annual accounts in respect of fees and expenditures, and that the Secretariat had been subject to an audit on administrative and fund management matters. The auditors' report was still in draft form and would be made available to the Committee once it had been finalized.

272. One Member commented that, if the higher cost was due to internal restructuring at UNEP, the approved funding should suffice. The Treasurer replied that the additional amount being requested was not due to a change in the structure of reporting but to inflation due to increases in personnel costs, such as salaries and hardship allowances.

273. One Member, referring to paragraph 5 of the document, noted that UNEP had informed the Secretariat that it was not possible to account for how the funds were spent. She said that, in view of UNEP's stated intention to enhance its role in international environmental governance, transparency was a key issue. She proposed that the decision include a paragraph noting that the Executive Committee wished to obtain information on past and future expenditures by UNEP. No specific clause in the agreement was needed, as transparency was inherent in UNEP's mandate. She further proposed that the fees paid to UNEP remain at US \$500,000 until the Executive Committee had examined the auditors' report, in the interests of fiduciary oversight.

274. The Treasurer reiterated that the money paid to UNEP from the Fund represented fees for services rendered. All fees received by UNEP from the 100 or so trust funds to which it provided services were pooled in one account for programme support costs. It would be all but impossible to separate out the expenditures for the Multilateral Fund.

275. Following the discussion, the Executive Committee decided:

- (a) To note the Treasurer's report on the agreement between the Executive Committee and UNEP as Treasurer of the Fund as contained in document UNEP/OzL.Pro/ExCom/59/57;
- (b) To maintain the fee level at US \$500,000 per annum until the Executive Committee had had an opportunity to consider the results of the audit of the Secretariat on administrative and Fund management matters;
- (c) To review the Treasurer's service at its 62<sup>nd</sup> Meeting, taking into account any relevant audit observation;
- (d) To note that provision of data on expenditures was a matter of transparency and was inherent to the mandate of UNEP; and
- (e) To request UNEP to provide indicative data on expenditures between 2004 and 2009, to the extent feasible, and to bring to the 62<sup>nd</sup> Meeting a plan for providing expenditure data as part of its future treasury services.

**(Decision 59/51)**

#### **AGENDA ITEM 15: REVISED 2010, 2011 AND PROPOSED 2012 BUDGETS OF THE FUND SECRETARIAT**

276. The representative of the Secretariat said that document UNEP/OzL.Pro/ExCom/59/58 presented a revision to the 2010 budget of the Fund Secretariat, of which the personnel component had been approved by decision 54/44. It had been revised to introduce the Secretariat's operational costs, at the same level as 2009. The document also contained the 2011 personnel component costs, as approved by decision 56/68, which remained unchanged, and proposed a budget to cover staff costs in 2012. The 2012 budget would enable the extension of staff contracts based on the approved 2011 level of the staff salary component, using the 5 per cent increase as per previous practice.

277. The 2010 budget included the Treasury services fee of US \$500,000, as per decision 59/51, and reflected the increase of US \$16,000 in the annual rental cost of the Secretariat should it have been located in Nairobi. Further, as indicated in paragraph 4 of the document, the Secretariat had made the necessary adjustment in its 2009 budget to accommodate the additional costs resulting from staff travel expenses and meeting costs in Port Ghalib, Egypt, by moving anticipated savings from various budget lines.

278. Concern was expressed about the 5 per cent annual increase that had been applied to the 2010 personnel budget to calculate the budget for 2011 and 2012. It was pointed out that the secretariat of a multilateral environmental agreement also based in Montreal applied a different rate. Further information on the reasoning was, therefore, required to facilitate transparency and to enable Members to account for Executive Committee decisions back in their capitals.

279. The representative of the Secretariat informed the Meeting that she had been in contact with UNEP in Nairobi as the UNEP Treasurer had advised the Secretariat on the rationale of the application of the 5 per cent rate but had not, however, been able to identify a UN rule that explained the percentage. Members appreciated, however, that the Secretariat needed stability in the long term to address pressing issues such as HCFC phase-out. One Member suggested that an informal group be convened to consult, by telephone, and/or meet in person on the first day of the next Executive Committee Meeting.

280. Regarding the holding of Executive Committee Meetings outside Montreal, it was suggested that the Committee should always choose the option that incurred the lowest costs regardless of whether the

Executive Committee was scheduled back-to-back with a Meeting of the Parties or a meeting of the Open-ended Working Group.

281. On the issue of the request for US \$60,000 for the development of a completion report format for completed MYA projects discussed under Agenda item 6(a)(ii), the representative of the Secretariat clarified that this amount could be approved at the present Meeting along with the Secretariat's operating costs, and that on submission of a work programme and budget by the future Senior Monitoring and Evaluation Officer, it could be deducted from that budget. With respect to the US \$50,000 needed for MCII an additional allocation is needed to be made in the 2010 budget, as discussed under agenda item 10(a) Prioritization of HCFC phase-out technologies.

282. Following the discussion, the Executive Committee decided:

- (a) To approve the additional amount of US \$3,144,869 in the revised 2010 budget of the Fund Secretariat to cover the operational costs of the Secretariat and the Treasury fees as per decision 59/51(b) as contained in Annex IX to the present report, which includes the Multilateral Fund climate impact indicator allocation of US \$50,000 and multi-year agreement table on-line access of US \$60,000, noting that the latter should be deducted from the Senior Monitoring and Evaluation Officer's work programme, resulting in a total of US \$6,737,950;
- (b) To approve the proposed 2012 salary staff component costs of the budget totalling US \$3,888,905 as contained in Annex IX to the present report, which was calculated on a basis of a 3 per cent inflation rate against the 2011 staff cost levels;
- (c) To request the Secretariat to provide supporting documents from UNEP to justify a 5 per cent annual increase and had been normally applied against staff costs and to report the findings back to the 60<sup>th</sup> Meeting of the Executive Committee, taking into account the practice of United Nations agencies based in Montreal;
- (d) To consider, at its 60<sup>th</sup> Meeting, whether the Committee would like to revisit the salary staff component costs of the 2011 and 2012 budget to reflect the discussion as described in subparagraph (c) above;
- (e) To request the Secretariat to facilitate this process with the help of an informal budget group in the margins of the 60<sup>th</sup> Meeting of the Executive Committee;
- (f) To note that the approved 2010 budget was based on the typical costs of holding Executive Committee Meetings in Montreal; and
- (g) To note that the Secretariat had had to move anticipated savings in 2009 under some budget components in order to cover the overrun on conference service costs with respect to holding the 59<sup>th</sup> Meeting of the Executive Committee in Port Ghalib, Egypt.

**(Decision 59/52)**

## **AGENDA ITEM 16: OTHER MATTERS**

Proposal by the Chair in accordance with decision 57/1 on transition of the chairmanship of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol

283. On behalf of the Chair, the representative of Sweden introduced a proposal for a decision by the Executive Committee which aimed to ensure a smooth transition of the chairmanship of the Committee

by enabling the incoming Chair to liaise with the Secretariat and the implementing agencies in preparation for assuming office. Such a possibility would be particularly pertinent when an incoming Chair was fresh to the process and had not had an opportunity to be involved as Vice-Chair. The new Chair might, for example, benefit from attending the regular inter-agency coordinating meeting in January, as an observer.

284. Participation of the new Chair in extraordinary meetings and other expected activities would have budgetary implications. Nevertheless, the Executive Committee had decided at its 11<sup>th</sup> Meeting that the travel budget line 3301 in the Secretariat budget could be used to support travel of the Chair or Vice-Chair of the Executive Committee, irrespective of whether or not he or she represented an Article 5 country. The representative of Sweden said that the approved budget for travel had been effectively reduced by 50 per cent over the period 2006-2009 and the budget for 2010 travel for Executive Committee-related activities, adopted by decision 59/52, would be sufficient for the above activities. No additional funding was being requested in the present proposal.

285. In the ensuing discussion, it was suggested that inter-agency coordination meetings might not be the best way of introducing the incoming Chair to the workings of the Executive Committee. Attendance at Implementation Committee meetings or briefings of the Chair might be more pertinent. Several Members suggested that there might be other innovative and less costly ways to acquaint him or her with the Executive Committee's work and that thought should be given to the matter. One Member expressed the understanding that any unspent funds each year would be transferred to other budget lines to facilitate the work of the Secretariat.

286. Following the discussion, the Executive Committee decided:

- (a) To note:
  - (i) That the Chair might attend coordination meetings held in the margins of Executive Committee Meetings, as an observer; and
  - (ii) That, at the last meeting of the year, if it was felt that the incoming Chair would benefit from continuity measures, the incumbent Chair could bring the matter to the attention of the Executive Committee (decision 57/1(d));
- (b) To request the Secretariat to identify the activities of the incoming Chair and Vice-Chair, along with information on possible relevant missions, and to provide that information to the Chair and Vice-Chair to facilitate the smooth transition of the incoming leadership;
- (c) To encourage the Chair to attend meetings of the Implementation Committee so as to better understand issues related to maintaining compliance, an important part of the Executive Committee's deliberations;
- (d) To encourage Vice-Chairs unfamiliar with the working of the Executive Committee to attend briefings of the Chair;
- (e) To note that the Executive Committee had decided at its 11<sup>th</sup> Meeting (UNEP/OzL.Pro/ExCom/11/36, paragraph 24) that budget line 3301 of the Secretariat's budget could be used to support travel of the Chair or Vice-Chair of the Executive Committee, irrespective of whether or not they represented countries operating under paragraph 1 of Article 5, if such travel was required to enable the Chair or Vice-Chair to represent the Executive Committee; and

- (f) To note with appreciation that the approved budget had been effectively reduced over the period 2006-2009 and the proposed budget of US \$15,000 for travel associated with Executive Committee-related activities in 2010, as proposed by the Multilateral Fund Secretariat (UNEP/OzL.Pro/ExCom/59/58), would be sufficient.

**(Decision 59/53)**

The outstanding contributions to the Multilateral Fund by the Russian Federation

287. The Chief Officer recalled that she had discussed the issue of non-payment of contributions with the representative of the Russian Federation at the Sixteenth Meeting of the Parties held in 2004 in Prague, Czech Republic. She had then reported to the 44<sup>th</sup> Meeting of the Executive Committee, also held in Prague, that the delay in taking a decision on payment of the country's contribution to the Fund was due to the reorganization of ministerial responsibilities within the Government. As a result, the Executive Committee had decided at its 44<sup>th</sup> Meeting to request the Secretariat to communicate with the Government of the Russian Federation on the issue of its contributions. The Chief Officer had subsequently sent various letters to the Government of the Russian Federation on 14 January 2005, 19 August 2005, 16 December 2005, 13 February 2006 and 12 January 2009. She had also had bilateral meetings with the representative of the Russian Federation during Meetings of the Parties and meetings of the Open-ended Working Group.

288. The response of the Russian Federation to the most recent letter from the Chief Officer, both of which were contained in document UNEP/OzL.Pro/ExCom/59/Inf.3, indicated that the writing off of the accrued arrears in the contributions to the Multilateral Fund, in any form, could have some effect on the adoption of a positive decision by the Russian Ministry of Finance with regard to the payment of the current contributions of the Russian Federation to the Multilateral Fund for the Implementation of the Montreal Protocol. The Chief Officer said that the Secretariat welcomed guidance from the Executive Committee on how to proceed with the issue.

289. One Member considered that the matter should be dealt with not by the Executive Committee but by the Parties, while another, noting that the response of the Russian Federation had come to Members' attention too late for them to obtain guidance from their capitals, suggested that the matter be deferred for consideration by the Committee at its 60<sup>th</sup> Meeting, with a view to a decision being taken then as to whether it was a matter for the Meeting of the Parties.

290. Following the discussion, the Executive Committee decided to request the Secretariat to place the matter of the outstanding contributions to the Multilateral Fund by the Russian Federation on the agenda for the consideration of the Committee at its 60<sup>th</sup> Meeting.

**(Decision 59/54)**

Identification of gaps in regional methyl bromide projects in Africa

291. The representative of UNEP, introducing the report entitled "Response to Executive Committee decision 57/9: Identification of gaps in regional methyl bromide projects in Africa" (UNEP/OzL.Pro/ExCom/59/Inf.4), said that it had been drawn up in consultation with UNDP and UNIDO. It dealt, among other things, with the technical difficulties, lack of technical capacity, and weakness of regulatory and licensing systems in terms of their interaction and combined impact on methyl bromide phase-out in Africa. Annex 1 was a detailed analysis of regional methyl bromide projects in Africa, while Annex 2 was an analysis of Multilateral Fund evaluations on methyl bromide projects.

292. Two Members highlighted the technical, economic and trade aspects of methyl bromide projects in the region, and called for support to be given to finding sustainable alternatives and phasing out methyl bromide. Case studies had been hard to obtain but it was clear that farmers were still using methyl

bromide. There was a need to raise awareness through regional institutions and to encourage research into alternatives. Results of pilot use of cost-effective alternatives on a few demonstration farms in Africa should be disseminated as widely as possible, and farmers should be given training in their adoption and use. Delays in methyl bromide phase-out were likely to lead to non-compliance with the Protocol. UNEP should be requested to include the search for methyl bromide alternatives for use in Africa in its business plan.

293. Another Member, complimenting UNEP on the report, recalled that the Executive Committee had requested UNEP to coordinate with other implementing agencies to ensure that there was no duplication of proposals, and to coordinate their efforts in the future when providing assistance to countries in the Africa region.

294. The representative of UNEP said that the analysis of the nine projects contained in the Annex of the document had been undertaken in close coordination with UNDP and UNIDO, and gave an assurance that UNEP would consult them in addressing the concerns expressed in a business plan for submission to the Executive Committee.

295. Following the discussion, the Executive Committee decided:

- (a) To note the report entitled “Response to Executive Committee decision 57/9: Identification of gaps in regional methyl bromide projects in Africa” (UNEP/OzL.Pro/ExCom/59/Inf.4), as well as the comments and statements made during its 59<sup>th</sup> Meeting; and
- (b) To request UNEP to incorporate projects that responded to the identified gaps in its business plan to be submitted to the Committee at its 60<sup>th</sup> Meeting.

**(Decision 59/55)**

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

296. The Executive Committee decided:

- (a) To hold its 60<sup>th</sup> Meeting in Montreal from 12 to 16 April 2010; and
- (b) To hold its 61<sup>st</sup> Meeting in Montreal from 26 to 30 July 2010.

**(Decision 59/56)**

#### **AGENDA ITEM 17: ADOPTION OF THE REPORT**

297. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/59/L.1.

#### **AGENDA ITEM 18: CLOSURE OF THE MEETING**

298. The Executive Committee expressed its gratitude to the Government of Egypt for the services provided for the Meeting.

299. Following the customary exchange of courtesies, the Chair declared the Meeting closed at 6.05 p.m. on Saturday, 14 November 2009.

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

**Table 1 : STATUS OF THE FUND FROM 1991-2009 (IN US DOLLARS)**

As at 6 November 2009

<b>INCOME</b>		
Contributions received:		
- Cash payments including note encashments		2,218,956,696
- Promissory notes held		35,481,910
- Bilateral cooperation		128,994,051
- Interest earned		196,451,476
- Additional income from loans and other sources		1,198,947
- Miscellaneous income		11,644,594
<b>Total Income</b>		<b>2,592,727,674</b>
<b>ALLOCATIONS* AND PROVISIONS</b>		
- UNDP	572,720,195	
- UNEP	164,471,784	
- UNIDO	549,925,902	
- World Bank	1,010,172,195	
Unspecified projects	1,198,947	
Less Adjustments	-	
<b>Total allocations to implementing agencies</b>		<b>2,298,489,023</b>
Secretariat and Executive Committee costs (1991-2009)		72,255,676
- includes provision for staff contracts into 2011		
Treasury fees (2003-2009)		3,050,550
Monitoring and Evaluation costs (1999-2009)		2,941,754
Technical Audit costs (1998-2005)		909,960
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation		128,994,051
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		(35,525,808)
<b>Total allocations and provisions</b>		<b>2,471,219,956</b>
Cash		<b>86,025,808</b>
<b>Promissory Notes:</b>		
	<b>2010</b>	8,654,402
	<b>2011</b>	3,826,829
	<b>Unscheduled</b>	23,000,679
		<b>35,481,910</b>
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>		<b>121,507,718</b>

\* Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the Implementing Agencies. It reflects the Secretariat's inventory figures on the net approved amounts. These figures are under review in the on-going reconciliation exercise.

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

**Table 2 : 1991 - 2009 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME**

BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 6 November 2009

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	1991 - 2008	2009	1991 - 2009
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	2,414,366,078	133,342,202	2,547,708,280
Cash payments/received	206,290,209	381,555,255	412,530,589	407,867,672	417,388,241	316,247,063	2,141,879,029	77,077,667	2,218,956,696
Bilateral assistance	4,366,255	11,909,814	21,699,586	21,315,399	48,181,291	19,098,367	126,570,712	2,423,339	128,994,051
Promissory notes	0	0	0	0	0	21,629,295	21,629,295	13,852,615	35,481,910
Total payments	210,656,464	393,465,069	434,230,175	429,183,071	465,569,532	356,974,725	2,290,079,036	93,353,621	2,383,432,657
Disputed contributions	0	8,098,267	0	0	0	32,471,642	40,569,909	0	40,569,909
Outstanding pledges	24,272,777	31,376,278	38,336,834	10,816,930	8,430,468	11,053,756	124,287,042	39,988,581	164,275,623
Payments %age to pledges	89.67%	92.61%	91.89%	97.54%	98.22%	97.00%	94.85%	70.01%	93.55%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	43,537,814	195,393,757	1,057,719	196,451,476
Additional income						1,198,947	1,198,947	0	1,198,947
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	3,377,184	9,851,710	1,792,884	11,644,594
<b>TOTAL INCOME</b>	<b>217,422,212</b>	<b>423,288,168</b>	<b>480,139,289</b>	<b>484,254,955</b>	<b>486,330,158</b>	<b>405,088,670</b>	<b>2,496,523,450</b>	<b>96,204,223</b>	<b>2,592,727,674</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>2003-2005</b>	<b>2006-2008</b>	<b>1991 - 2008</b>	<b>2009</b>	<b>1991-2009</b>
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	2,414,366,078	133,342,202	2,547,708,280
Total payments	210,656,464	393,465,069	434,230,175	429,183,071	465,569,532	356,974,725	2,290,079,036	93,353,621	2,383,432,657
Payments %age to pledges	89.67%	92.61%	91.89%	97.54%	98.22%	97.00%	94.85%	70.01%	93.55%
Total income	217,422,212	423,288,168	480,139,289	484,254,955	486,330,158	405,088,670	2,496,523,450	96,204,223	2,592,727,674
Total outstanding contributions	24,272,777	31,376,278	38,336,834	10,816,930	8,430,468	11,053,756	124,287,042	39,988,581	164,275,623
As % to total pledges	10.33%	7.39%	8.11%	2.46%	1.78%	3.00%	5.15%	29.99%	6.45%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,272,777	31,376,278	32,664,574	9,811,798	7,511,983	6,366,431	112,003,841	2,511,733	114,515,574
CEITs' outstandings %age to pledges	10.33%	7.39%	6.91%	2.23%	1.58%	1.73%	4.64%	1.88%	4.49%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Ukraine and Uzbekistan, including Turkmenistan up to 2004 as per decision XVI/39.

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

Table 3 : 1991-2009 Summary Status of Contributions

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Andorra	8,868	8,868	0	0	0.00	0
Australia*	48,100,535	46,828,628	1,271,907	0	0	625,325
Austria	26,949,218	26,817,428	131,790	0	0	-1,264,056
Azerbaijan	877,648	311,683	0	0	565,965	0
Belarus	2,692,898	0	0	0	2,692,898	0
Belgium	33,386,048	31,602,183	0	0	1,783,865	193,941
Bulgaria	1,185,200	1,185,200	0	0	0	0
Canada*	89,673,321	75,618,658	9,452,810	3,855,222	746,631	-4,566,976
Cyprus	415,396	415,396	0	0	0	0
Czech Republic	7,153,586	7,432,771	157,055	0	-436,240	90,458
Denmark	21,973,938	21,812,885	161,053	0	0	-1,168,680
Estonia	219,063	219,062	0	0	0	3,432
Finland	17,318,499	16,866,629	451,870	0	0	-885,890
France	194,764,331	161,002,855	14,616,020	19,145,457	0	-15,656,955
Germany	285,593,298	221,810,971	43,151,196	8,684,231	11,946,900	-3,305,853
Greece	13,548,017	12,686,689	0	0	861,328	-1,683,388
Hungary	4,519,635	4,458,166	46,494	0	14,976	-76,259
Iceland	987,764	927,870	0	0	59,894	-32,755
Ireland	7,968,462	7,968,462	0	0	0	335,944
Israel	10,211,328	3,724,671	152,462	0	6,334,195	0
Italy	152,115,128	135,991,541	14,631,808	0	1,491,779	3,291,976
Japan	503,279,089	481,459,137	16,243,746	0	5,576,206	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	421,695	420,258	0	0	1,437	-2,483
Liechtenstein	241,465	241,464	0	0	0	0
Lithuania	638,329	145,362	0	0	492,967	0
Luxembourg	2,211,785	2,211,785	0	0	0	-109,316
Malta	125,750	51,445	0	0	74,305	0
Monaco	177,961	177,961	0	0	0	-1,388
Netherlands	50,968,899	47,936,975	0	0	3,031,924	0
New Zealand	7,284,806	7,284,806	0	0	0	176,109
Norway	19,016,557	19,016,557	0	0	0	17,242
Panama	16,915	16,915	0	0	0	0
Poland	8,336,016	7,066,002	113,000	0	1,157,014	0
Portugal	11,214,523	8,803,121	101,700	0	2,309,702	198,162
Romania	213,435	100,122	0	0	113,313	0
Russian Federation	101,188,721	0	0	0	101,188,721	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	2,212,588	2,196,065	16,523	0	0	0
Slovenia	1,094,600	1,094,600	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	74,635,481	68,077,179	2,318,844	0	4,239,458	-1,462,766
Sweden	34,186,681	32,358,304	1,828,377	0	0	-959,401
Switzerland	37,202,922	35,289,691	1,913,230	0	0	-1,715,441
Tajikistan	103,266	18,086	0	0	85,180	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	9,072,002	1,082,925	0	0	7,989,076	0
United Arab Emirate	559,639	559,639	0	0	0	0
United Kingdom	168,592,306	168,027,306	565,000	0	0	-7,566,790
United States of America	589,481,261	552,926,521	21,567,191	3,797,000	11,190,549	0
Uzbekistan	664,704	188,606	0	0	476,098	0
<b>SUB-TOTAL</b>	<b>2,547,708,280</b>	<b>2,218,956,696</b>	<b>128,994,051</b>	<b>35,481,910</b>	<b>164,275,623</b>	<b>-35,525,808</b>
Disputed Contributions***	40,569,909	0	0	0	40,569,909	0
<b>TOTAL</b>	<b>2,588,278,189</b>	<b>2,218,956,696</b>	<b>128,994,051</b>	<b>35,481,910</b>	<b>204,845,532</b>	

NB: \* The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39<sup>th</sup> Meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40<sup>th</sup> Meeting to read US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$6,414,880 respectively.

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

\*\*\* Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only. Amount for the United States of America netted off from the 2007 and 2008 contributions.

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

**Table 4 : Status of Contributions for 2009**

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	8,868	8,868			0
Australia	2,892,711	2,892,711			0
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865				1,783,865
Bulgaria	32,375	32,375			0
Canada	4,819,027	178,984	99,440	3,855,222	685,381
Cyprus	71,225	71,225			0
Czech Republic	454,869	800,145	90,965		(436,241)
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760		202,367	9,997,393	0
Germany	13,884,041		1,878,017	0	12,006,024
Greece	964,777	103,448			861,328
Hungary	394,976	380,000			14,976
Iceland	59,894				59,894
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	6,687,842	152,550		1,381,252
Japan	26,910,144	26,910,144			0
Latvia	29,138	27,701			1,436
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519				27,519
Monaco	4,856	4,856			0
Netherlands	3,031,924				3,031,924
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995				810,995
Portugal	853,083				853,083
Romania	113,313				113,313
Russian Federation	1,942,503				1,942,503
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458				4,804,458
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	29,333,333	18,142,783			11,190,550
Uzbekistan	12,950				12,950
<b>TOTAL</b>	<b>133,342,202</b>	<b>77,077,667</b>	<b>2,423,339</b>	<b>13,852,615</b>	<b>39,988,581</b>

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

Table 5 : Status of Contributions for 2008

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,660,143	2,660,143			0
Austria	1,435,341	1,435,341			0
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239	1,786,239			0
Bulgaria	28,406	28,406			0
Canada	4,700,366	3,903,141	940,073		(142,848)
Cyprus	65,167	65,167			0
Czech Republic	305,783	305,783			0
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613	890,613			0
France	10,075,793		842,980	9,148,063	84,750
Germany*	14,473,719	1,929,829	2,953,920	3,859,658	5,730,311
Greece	885,600	885,600			0
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331		114,356		665,975
Italy	8,162,562	4,665,805	1,521,994		1,974,763
Japan	29,362,667	29,362,667	33,900		(33,900)
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393				23,393
Monaco	5,013	5,013			0
Netherlands	2,823,896	1,671,687			1,152,209
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305	424,287			346,018
Portugal	785,344				785,344
Romania	100,122	100,122			0
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218	85,218			0
Slovenia	137,017	137,017			0
Spain	4,210,779	4,044,217	731,562		(565,000)
Sweden	1,667,602	1,667,602			0
Switzerland	2,000,120	1,997,218	91,689		(88,787)
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875	10,237,875			0
United States of America	11,780,749	7,983,749		3,797,000	(0)
Uzbekistan	23,393				23,393
<b>SUB-TOTAL</b>	<b>115,984,871</b>	<b>80,010,643</b>	<b>7,230,474</b>	<b>16,804,722</b>	<b>11,939,032</b>
Disputed Contributions**	<b>17,581,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,581,918</b>
<b>TOTAL</b>	<b>133,566,789</b>	<b>80,010,643</b>	<b>7,230,474</b>	<b>16,804,722</b>	<b>29,520,950</b>

\* Bilateral assistance of US \$572,817 approved at the 51<sup>st</sup> Meeting of the Excom applied in 2008 and US \$353,814 approved at the 52<sup>nd</sup> Meeting of the Excom applied in 2008.

\*\* Balance of USA Disputed contribution of US \$32,471,642 of which US \$14,889,724 was applied to 2007.

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

**Table 6 : Status of Contributions for 2007**

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,660,143	2,530,193			129,950
Austria	1,435,341	1,435,341			0
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239	1,786,239			0
Bulgaria	28,406	28,406			0
Canada	4,700,366	4,362,036	339,959		(1,629)
Cyprus	65,167	65,167			0
Czech Republic	305,783	305,783			0
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613	890,613			0
France	10,075,793	9,287,393	839,250		(50,850)
Germany	14,473,719	9,649,146	2,894,691	4,824,573	(2,894,691)
Greece	885,600	641,711			243,889
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331				780,331
Italy	8,162,562	6,761,775	1,632,512		(231,724)
Japan	29,362,667	29,362,667	62,150		(62,150)
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393				23,393
Monaco	5,013	5,013			0
Netherlands	2,823,896	3,400,000			(576,104)
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305	770,305			0
Portugal	785,344	114,068			671,276
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218	85,218			0
Slovenia	137,017	137,017			0
Spain	4,210,779	4,210,779			0
Sweden	1,667,602	1,667,602			0
Switzerland	2,000,120	1,603,225	14,844		382,051
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875	10,237,875			0
United States of America	14,472,943	14,472,943			(0)
Uzbekistan	23,393				23,393
<b>SUB-TOTAL</b>	<b>118,576,943</b>	<b>107,548,418</b>	<b>5,783,406</b>	<b>4,824,573</b>	<b>420,546</b>
Disputed Contributions*	14,889,724	0	0	0	14,889,724
<b>TOTAL</b>	<b>133,466,667</b>	<b>107,548,418</b>	<b>5,783,406</b>	<b>4,824,573</b>	<b>15,310,270</b>

\* Portion of total USA Disputed contribution of US \$32,471,642 partly offset in 2007 and the balance in 2008.

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

**Table 7 : Status of Contributions for 2006**

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	2,660,143	2,660,143	129,950		(129,950)
Austria	1,435,341	1,435,341			0
Azerbaijan	8,355				8,355
Belarus	30,077				30,077
Belgium	1,786,239	1,786,239			0
Bulgaria	28,406	28,406			0
Canada	4,700,366	4,143,532	351,857		204,977
Cyprus	65,167	65,167			0
Czech Republic	305,783	305,783			0
Denmark	1,199,738	1,199,738			0
Estonia	20,051	20,051			0
Finland	890,613	890,613			0
France	10,075,793	9,342,968	675,400		57,425
Germany	14,473,719	14,473,719	2,894,744		(2,894,744)
Greece	885,600				885,600
Hungary	210,539	210,539			0
Iceland	56,812	56,812			0
Ireland	584,830	584,830			0
Israel	780,331				780,331
Italy	8,162,562	8,162,562	1,632,512		(1,632,512)
Japan	29,362,667	29,362,667			0
Latvia	25,064	25,064			0
Liechtenstein	8,355	8,355			0
Lithuania	40,103				40,103
Luxembourg	128,663	128,663			0
Malta	23,393	23,393			0
Monaco	5,013	5,013			0
Netherlands	2,823,896	3,400,000			(576,104)
New Zealand	369,279	369,279			0
Norway	1,134,571	1,134,571			0
Poland	770,305	770,305			0
Portugal	785,344	785,344			0
Russian Federation	1,838,039				1,838,039
Slovak Republic	85,218	85,218			0
Slovenia	137,017	137,017			0
Spain	4,210,779	4,215,179			(4,400)
Sweden	1,667,602	1,667,602			0
Switzerland	2,000,120	1,603,345	400,024		(3,249)
Tajikistan	1,671				1,671
Ukraine	65,167				65,167
United Kingdom	10,237,875	10,237,875			0
United States of America	29,362,667	29,362,667		0	(0)
Uzbekistan	23,393				23,393
<b>TOTAL</b>	<b>133,466,667</b>	<b>128,688,002</b>	<b>6,084,487</b>	<b>0</b>	<b>(1,305,822)</b>

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

**Table 8 : Status of Contributions for 2006-2008**

As at 6 November 2009

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Australia	7,980,429	7,850,479	129,950	0	0
Austria	4,306,023	4,306,023	0	0	0
Azerbaijan	25,064	0	0	0	25,064
Belarus	90,231	0	0	0	90,231
Belgium	5,358,718	5,358,718	0	0	0
Bulgaria	85,218	85,218	0	0	0
Canada	14,101,098	12,408,709	1,631,889	0	60,500
Cyprus	195,500	195,500	0	0	0
Czech Republic	917,348	917,348	0	0	0
Denmark	3,599,214	3,599,214	0	0	0
Estonia	60,154	60,154	0	0	0
Finland	2,671,840	2,671,840	0	0	0
France	30,227,380	18,630,361	2,357,630	9,148,063	91,325
Germany*	43,421,156	26,052,693	8,743,355	8,684,231	(59,124)
Greece	2,656,801	1,527,311	0	0	1,129,490
Hungary	631,617	631,617	0	0	0
Iceland	170,436	170,436	0	0	0
Ireland	1,754,491	1,754,491	0	0	0
Israel	2,340,993	0	114,356	0	2,226,637
Italy	24,487,687	19,590,142	4,787,018	0	110,527
Japan	88,088,000	88,088,000	96,050	0	(96,050)
Latvia	75,192	75,192	0	0	0
Liechtenstein	25,064	25,064	0	0	0
Lithuania	120,308	0	0	0	120,308
Luxembourg	385,988	385,988	0	0	0
Malta	70,180	23,393	0	0	46,786
Monaco	15,038	15,038	0	0	0
Netherlands	8,471,687	8,471,687	0	0	0
New Zealand	1,107,836	1,107,836	0	0	0
Norway	3,403,713	3,403,713	0	0	0
Poland	2,310,916	1,964,897	0	0	346,019
Portugal	2,356,031	899,412	0	0	1,456,619
Romania	100,122	100,122	0	0	0
Russian Federation	5,514,116	0	0	0	5,514,116
Slovak Republic	255,654	255,654	0	0	0
Slovenia	411,052	411,052	0	0	0
Spain	12,632,338	12,470,176	731,562	0	(569,400)
Sweden	5,002,807	5,002,807	0	0	0
Switzerland	6,000,361	5,203,789	506,557	0	290,015
Tajikistan	5,013	0	0	0	5,013
Ukraine	195,500	0	0	0	195,500
United Kingdom	30,713,625	30,713,625	0	0	0
United States of America	55,616,358	51,819,359	0	3,797,000	(1)
Uzbekistan	70,180	0	0	0	70,180
<b>TOTAL</b>	<b>368,028,480</b>	<b>316,247,063</b>	<b>19,098,367</b>	<b>21,629,295</b>	<b>11,053,756</b>

\* Bilateral assistance of US \$572,817 approved at the 51<sup>st</sup> Meeting of the Excom applied in 2008 and US \$353,814 approved at the 52<sup>nd</sup> Meeting of the Excom applied in 2008.



**Table 9: Status of Promissory Notes As At 6 November 2009****MULTILATERAL FUND'S PROMISSORY NOTES**

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada		3,855,222	3,855,222					3,855,222	3,855,222
France		19,145,457	19,145,457					19,145,457	19,145,457
Germany		8,684,231	8,684,231					8,684,231	8,684,231
The Netherlands			0					0	0
United Kingdom			0					0	0
United States of America		3,797,000	3,797,000					3,797,000	3,797,000
<b>TOTAL</b>	<b>0</b>	<b>35,481,910</b>	<b>35,481,910</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,481,910</b>	<b>35,481,910</b>

2004-2009 Ledger of Promissory Notes as at 6 November 2009

Table 10 : SCHEDULE OF MULTILATERAL FUND PROMISSORY NOTES: 2004 - 2009

RECEIPTS												ENCASHMENTS			
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)			
10/25/2004	2004	Canada		Can\$	8,216,532.80	3,983,967.12	11/3/2004	IBRD	8,216,532.80	1/19/2005	5,140,136.76	1,176,269.64			
4/21/2005	2005	Canada		Can\$	6,216,532.78	3,983,967.12	Nov. 2005	TREASURER	6,216,532.78	Nov. 2005	5,307,831.95	1,343,964.83			
12/22/2006	2006	Canada		Can\$	4,794,373.31	3,760,292.79	1/19/2007	TREASURER	4,794,373.31	1/19/2007	4,088,320.38	328,027.59			
6/27/2008	2008	Canada		Can\$	4,794,373.31	3,760,292.79	9/19/2008	TREASURER	4,794,373.31	9/19/2008	4,492,899.74	732,606.95			
6/12/2009	2009	Canada		Can\$	3,834,018.00	3,855,221.70	<b>BALANCE</b>	<b>TREASURER</b>							
12/31/2004	2004	France		Euro	10,597,399.70	9,784,322.50	9/28/2006	TREASURER	10,597,399.70	9/28/2006	12,102,125.26	2,317,802.76			
1/18/2006	2005	France		Euro	11,217,315.23	10,356,675.50	9/28/2006	TREASURER	11,217,315.23	9/28/2006	12,810,062.64	2,453,387.14			
12/20/2006	2006	France		Euro	7,503,239.54	9,342,968.43	7/31/2007	TREASURER	7,503,239.54	7/31/2007	10,249,425.21	906,456.78			
Dec.2007	2007	France		Euro	7,483,781.61	9,287,393.43	9/16/2008	TREASURER	7,483,781.61	9/16/2008	10,629,963.40	1,342,569.97			
Dec.2008	2008	France		Euro	7,371,509.51	9,148,063.43	<b>BALANCE</b>	<b>TREASURER</b>							
Oct.2009	2009	France		Euro	6,568,287.40	9,997,393.30	<b>BALANCE</b>	<b>TREASURER</b>							
8/9/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57	8/3/2005	TREASURER	6,304,813.19	8/3/2005	6,304,813.19	-			
							8/11/2006	TREASURER	6,304,813.19	8/11/2006	6,304,813.19	-			
							2/16/2007	TREASURER	3,152,406.60	2/16/2007	3,152,406.60	-			
							8/10/2007	TREASURER	3,152,406.60	8/10/2007	3,152,406.60	-			
									18,914,439.57						
7/8/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83	4/18/2006	TREASURER	1,260,962.64	4/18/2006	1,260,962.64	-			
							8/11/2006	TREASURER	1,260,962.64	8/11/2006	1,260,962.64	-			
							2/16/2007	TREASURER	1,260,962.64	2/16/2007	1,260,962.64	-			
							8/10/2007	TREASURER	1,260,962.64	8/10/2007	1,260,962.64	-			
							2/12/2008	TREASURER	1,260,962.64	2/12/2008	1,260,962.64	-			
							8/12/2008	TREASURER	1,260,962.63	8/12/2008	1,260,962.64	-			
									7,565,775.83						
5/10/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52	2/28/2007	TREASURER	1,943,820.40	2/28/2007	2,558,067.65	145,781.24			
							8/10/2007	TREASURER	1,943,820.40	8/10/2007	2,681,305.85	269,019.44			
							2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12			
							8/12/2008	TREASURER	1,943,820.40	8/12/2008	2,930,114.87	517,828.45			
							2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47			
							8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.28			
									11,662,922.38						
7/23/2007	2007	Germany	BU 107 1006 01	Euro	11,662,922.38	14,473,718.52	2/12/2008	TREASURER	1,943,820.40	2/12/2008	2,821,066.54	408,780.12			
							8/12/2008	TREASURER	1,943,820.39	8/12/2008	2,930,114.87	517,828.46			
							2/17/2009	TREASURER	1,943,820.40	2/17/2009	2,492,560.89	80,274.47			
							8/12/2009	TREASURER	1,943,820.38	8/12/2009	2,760,613.72	348,327.30			
							<b>BALANCE</b>	<b>TREASURER</b>	<b>3,887,640.81</b>						
									11,662,922.38						
8/15/2008	2008	Germany	BU 108 1004 01	Euro	4,665,168.96	5,789,487.42	2/17/2009	TREASURER	777,528.16	2/17/2009	997,024.36	32,109.79			
							8/12/2009	TREASURER	777,528.16	8/12/2009	1,104,245.49	139,330.92			
							<b>BALANCE</b>	<b>TREASURER</b>	<b>3,110,112.64</b>						
									4,665,168.96						
12/8/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	11/17/2004	TREASURER	3,364,061.32	11/17/2004	3,364,061.32	-			
12/8/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	12/5/2005	TREASURER	3,364,061.32	12/5/2005	3,364,061.32	-			
5/18/2004	2004	UK		GBP	7,243,564.08	10,718,502.63	8/23/2005	TREASURER	1,207,260.68	8/23/2005	2,166,550.02	380,132.91			
							Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32			
							7/24/2006	TREASURER	3,621,782.04	7/24/2006	4,473,383.73	900,549.53			
									10,718,502.63		12,943,645.39	2,225,142.76			
6/1/2005	2005	UK		GBP	7,243,564.08	10,718,502.63	7/24/2006	TREASURER	1,207,260.68	7/24/2006	2,236,691.86	450,274.75			
							8/9/2006	TREASURER	3,163,681.03	8/9/2006	6,036,303.40	1,354,916.85			
							8/16/2006	TREASURER	2,872,622.37	8/16/2006	5,429,236.28	1,178,537.31			
									10,718,502.63		13,702,231.54	2,983,728.91			
5/13/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	10/27/2005	TREASURER	2,000,000.00	10/27/2005	2,000,000.00	-			
							11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-			
							10/25/2007	TREASURER	920,000.00	10/25/2007	920,000.00	-			
									4,920,000.00						
3/1/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	11/2/2006	TREASURER	2,000,000.00	11/2/2006	2,000,000.00	-			
							10/25/2007	TREASURER	1,159,700.00	10/25/2007	1,159,700.00	-			
									3,159,700.00						
4/25/2007	2006	USA		US\$	7,315,000.00	7,315,000.00	10/25/2007	TREASURER	2,500,000.00	10/25/2007	2,500,000.00	-			
							11/19/2008	TREASURER	2,500,000.00	11/19/2008	2,500,000.00	-			
							5/11/2009	TREASURER	2,315,000.00	5/11/2009	2,315,000.00	-			
									7,315,000.00						
2/21/2008	2006	USA		US\$	4,683,000.00	4,683,000.00	11/19/2008	TREASURER	2,341,500.00	11/19/2008	2,341,500.00	-			
							5/11/2009	TREASURER	2,341,500.00	5/11/2009	2,341,500.00	-			
									4,683,000.00						
4/21/2009	2008	USA		US\$	5,697,000.00	5,697,000.00	5/11/2009	TREASURER	1,900,000.00	5/11/2009	1,900,000.00	-			
							<b>BALANCE</b>	<b>TREASURER</b>	<b>3,797,000.00</b>						
									5,697,000.00						

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

**Table 11: OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT AS AT 6 NOVEMBER 2009  
 (IN US\$)**

	<b>Due in 2010</b>	<b>Due in 2011</b>	<b>Unscheduled</b>	<b>TOTAL</b>
<b><u>CANADA</u></b> Unscheduled			3,855,222.00	3,855,222
<b><u>FRANCE:</u></b> Unscheduled			19,145,456.73	19,145,457
<b><u>GERMANY:</u></b>				
P. Note: (in US \$ at FERM rate of US \$1:Euro 0.8058)				
2007	4,824,573			4,824,573
2008	1,929,829	1,929,829		3,859,658
<b><u>USA:</u></b>				
2009 Note: (US\$)	1,900,000	1,897,000		3,797,000
	<u>8,654,402</u>	<u>3,826,829</u>	<u>23,000,679</u>	<u>35,481,910</u>

**NOTE:**

For the triennium 2006 - 2008, Germany opted to pay in Euro, using the FERM.  
 Germany's annual payment are made in two tranches, February and August.

USA's promissory notes due are payable in November of each year.

**LIST OF COUNTRIES WHICH AS AT 6 NOVEMBER 2009 HAVE EITHER  
CONFIRMED TO THE TREASURER IN WRITING THAT THEY WOULD BE USING  
THE FIXED-EXCHANGE-RATE MECHANISM DURING  
THE 2009 – 2011 REPLENISHMENT PERIOD OR PAID IN NATIONAL CURRENCIES  
WITHOUT FORMALLY WRITING TO THE TREASURER**

1. Australia
2. Austria
3. Belgium
4. Canada
5. Czech Republic
6. Estonia
7. Finland
8. France
9. Germany
10. Greece
11. Ireland
12. Luxembourg
13. New Zealand
14. Norway
15. Sweden
16. Switzerland
17. United Kingdom

**Annex II**

Table 1

**ANNUAL TRANCHEs NOT SUBMITTED TO TWO OR MORE CONSECUTIVE MEETINGS**

<b>Agency</b>	<b>Country</b>	<b>Sector</b>	<b>Tranche</b>	<b>Reason for delay</b>	<b>Planned Submission</b>
World Bank	Antigua and Barbuda	CFC Phase Out Plan	2006	Due to non-advancement of funds for the Grant Agreement that funds on a reimbursement basis.	61st Meeting
Canada	Chile	CFC Phase Out Plan	2009	Insufficient progress made with respect to the implementation of the first tranche.	60 <sup>th</sup> Meeting
UNIDO	Egypt	CFC Phase Out Plan	2008	Sufficient funds from approved tranches	60 <sup>th</sup> Meeting
UNEP	Eritrea	ODS Phase Out Plan	2009	Licensing system not in place.	60 <sup>th</sup> Meeting
UNIDO	Eritrea	ODS Phase Out Plan	2009	Licensing system not in place.	60 <sup>th</sup> Meeting
UNEP	Guatemala	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNEP	Democratic People's Republic of Korea	CFC Phase Out Plan	2009	Deferred as per decision 58/33.	61 <sup>st</sup> Meeting
UNEP	Kuwait	ODS Phase Out Plan	2008	Delay in funding pending technical and financial reports.	60 <sup>th</sup> Meeting
UNIDO	Kuwait	ODS Phase Out Plan	2008	Verification audit had not been completed in time.	60 <sup>th</sup> Meeting
France	Lao, DPR	CFC Phase Out Plan	2009	Slow disbursement and delay in project initiation.	60 <sup>th</sup> Meeting
UNEP	Nicaragua	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNDP	Peru	CFC Phase Out Plan	2009	Delay in the first tranche due to institutional changes but the change will be completed soon at which time activities would continue.	60 <sup>th</sup> Meeting
UNEP	Peru	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNEP	Suriname	CFC Phase Out Plan	2009	Insufficient progress made with respect to the implementation of the first tranche.	60 <sup>th</sup> Meeting
World Bank	Thailand	ODS Phase Out Plan	2009	More time needed to plan activities for the final tranche.	60 <sup>th</sup> Meeting
World Bank	Turkey	CFC Phase Out Plan	2008	Due to lack of verification report.	60 <sup>th</sup> Meeting

Table 2

**ANNUAL TRanches NOT SUBMITTED THAT WERE DUE FOR THE FIRST TIME THIS YEAR FOR SUBMISSION TO THE 59<sup>TH</sup> MEETING**

<b>Agency</b>	<b>Country</b>	<b>Sector</b>	<b>Tranche</b>	<b>Reason for Delay</b>	<b>Planned Submission</b>
UNDP	Dominica	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNEP	Dominica	CFC Phase Out Plan	2009	Insufficient progress made with respect to the implementation of the first tranche.	60 <sup>th</sup> Meeting
UNDP	Saint Kitts and Nevis	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNEP	Saint Kitts and Nevis	CFC Phase-out Plan	2009	Insufficient progress made with respect to the implementation of the approved tranches.	60 <sup>th</sup> Meeting
UNEP	Saint Vincent and the Grenadines	CFC Phase-out Plan	2009	Insufficient progress made with respect to the implementation of the approved tranches.	60 <sup>th</sup> Meeting
UNIDO	Serbia	CFC Phase Out Plan	2007	Aerosol and foam projects not yet completed.	60 <sup>th</sup> Meeting
Canada	Uruguay	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNDP	Uruguay	CFC Phase Out Plan	2009	Low disbursement of funds from approved tranches.	60 <sup>th</sup> Meeting
UNEP	Yemen	ODS Phase Out Plan	2009	Verification audit had not been completed in time.	60 <sup>th</sup> Meeting
UNIDO	Yemen	ODS Phase Out Plan	2009	Sufficient funds from approved tranches	60 <sup>th</sup> Meeting

## Annex III

## PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS WERE REQUESTED

Agency	Code	Project Title
Germany	AFR/HAL/35/TAS/29	Establishment of a regional halon bank for Eastern and Southern African countries (Botswana, Ethiopia, Kenya, Lesotho, Namibia, Tanzania and Zimbabwe)
IBRD	ARG/FUM/29/DEM/93	Demonstration project for testing methyl bromide alternatives in post-harvest disinfestation for cotton and citrus (phase I)
UNEP	BAR/REF/43/TAS/10	Implementation of the RMP: import-export licensing system and establishment of refrigeration and air-conditioning association
UNDP	BAR/REF/43/TAS/11	Implementation of the RMP: technical assistance project to the MAC and end-users sectors
UNDP	BAR/REF/43/TAS/12	Implementation of the RMP: monitoring the activities in the RMP
UNEP	BAR/SEV/46/INS/13	Renewal of institutional strengthening project (phase III, year 2)
UNIDO	BDI/PHA/55/INV/24	Terminal phase-out management plan (first tranche)
UNIDO	BHE/HAL/42/TAS/18	Phase-out of halon consumption
UNIDO	BHE/PHA/55/PRP/23	Preparation of a HCFC phase-out management plan
UNIDO	BHE/SEV/43/INS/19	Extension of the institutional strengthening project (phase II)
UNEP	DRK/SEV/53/INS/49	Extension of institutional strengthening project (phase V)
UNDP	ELS/PHA/55/PRP/23	Preparation of a HCFC phase-out management plan
UNIDO	ERI/PHA/54/INV/05	Terminal phase-out management plan for CFCs (first tranche)
France	ETH/REF/44/TAS/14	Implementation of the RMP update
UNIDO	KUW/HAL/45/PRP/07	Preparation of a halon phase-out plan
UNEP	KUW/PHA/52/TAS/10	Terminal phase-out management plan for Annex A Group I substances (first tranche)
UNEP	LES/SEV/53/INS/11	Extension of the institutional strengthening project (phase IV)
UNIDO	LIB/HAL/47/TAS/26	Plan for the phase-out of import and net consumption of halons in the fire fighting sector
UNEP	MAR/SEV/53/INS/19	Extension of the institutional strengthening project (phase III)
UNDP	MDV/REF/38/TAS/05	Implementation of the RMP: awareness and incentive programme
UNEP	PAN/PHA/50/TAS/27	National phase-out plan for Annex A (Group I) substances (third tranche)
UNEP	PAN/SEV/44/INS/21	Extension of institutional strengthening project (phase IV)
UNDP	PER/PHA/55/INV/41	Terminal phase-out management plan for Annex A Group I substances (first tranche)
UNIDO	SAU/PHA/55/PRP/05	Preparation of a HCFC phase-out management plan
UNEP	SUR/SEV/41/INS/03	Institutional strengthening and capacity building: establishment of the Ozone Unit
Australia	TON/REF/36/TAS/01	Implementation of the PIC Strategy: assistance for enforcing ODS regulations and training programme for customs officers
Australia	VAN/REF/36/TAS/02	Implementation of the PIC Strategy: assistance for enforcing ODS regulations and training programme for customs officers
UNIDO	YEM/PHA/55/PRP/29	Preparation of a HCFC phase-out management plan





**Annex IV**

**PRELIMINARY TEMPLATE**

**DRAFT AGREEMENT BETWEEN [COUNTRY NAME] AND THE EXECUTIVE COMMITTEE  
OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION  
OF HYDROCHLOROFLUROCARBONS**

1. This Agreement represents the understanding of the Government of [Country name] (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (the “Substances”) to a sustained [figure] ODP tonnes prior to 1 January 2015 in compliance with Montreal Protocol schedules.

2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (the “Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this agreement for all ODS specified in Appendix 1-A, and in respect to any consumption of each of the substances which exceeds the level defined in row[s] 4.1.3 [and 4.2.3, ...].

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).

4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification to be commissioned by the relevant implementing agency (IA) of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.

5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:

- (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved when an obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
- (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
- (c) That the Country has substantially completed all actions set out in the previous tranche implementation plan and submitted a tranche implementation report in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each previous calendar year; and
- (d) That the Country has submitted and received endorsement from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each calendar year until and including the year for

which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next tranche implementation plan and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved tranche implementation plan, under implementation at the time, and reported to the Executive Committee in the tranche implementation report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. [Lead agency name] has agreed to be the lead implementing agency (the “Lead IA”) and [Cooperating agency name] has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). [This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by being responsible for carrying out the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings.] The Executive Committee agrees, in principle, to provide the Lead IA [and the Cooperating IA] with the fees set out in row[s] 2.2 [and 2.4...] of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding

approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the country did not comply with this agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

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

13. The Country will comply with any reasonable request of the Executive Committee, the Lead IA [and the Cooperating IA] to facilitate implementation of this Agreement. In particular, it will provide the Lead IA [and the Cooperating IA] with access to information necessary to verify compliance with this Agreement.

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the plan and its subsequent revisions as per sub-paragraph 5(d), the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	
HCFC-141b	C	I	
[substance name]	C	I	

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

		2009	2010	2011	2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)								n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)								n/a
2.1	Lead IA [agency name] agreed funding(US \$)								
2.2	Support costs for Lead IA(US \$)								
2.3	Cooperating IA [agency name] agreed funding (US \$)								
2.4	Support costs for Cooperating IA (US \$)								
3.1	Total agreed funding (US \$)								
3.2	Total support cost								
3.3	Total agreed costs (US \$)								
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)								
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)								
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)								
4.2.1	Total phase-out of [substance] agreed to be achieved under this agreement (ODP tonnes)								
4.2.2	Phase-out of [substance] to be achieved in previously approved projects (ODP tonnes)								
4.2.3	Remaining eligible consumption for [substance] (ODP tonnes)								

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval not earlier than the [first/second/last] meeting of the year specified in Appendix 2-A.

### APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORT AND PLAN

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;

- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the year specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted online into a database, as per the relevant decisions of the Executive Committee in respect to the format required. This quantitative information, to be submitted by calendar year, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and agency; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

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

*1. Appendix 5-A, Monitoring Institutions and Roles, may vary from agreement to agreement. Previous agreements entered by the Committee as reflected in the Reports of the Meetings as well as the existing agreements for the TPMP should be referenced to provide relevant examples. The principle need is for the appendix to provide a detailed and credible indication of how progress is to be monitored and which organizations will be responsible for the activities. Please take into account any experiences from implementing the TPMP, and introduce the relevant changes and improvements.*

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

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:
- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
  - (b) Assisting the Country in preparation of the tranche Implementation Plan and subsequent report as per Appendix 4-A;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the tranche Implementation Plan consistent with Appendix 4-A.
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future tranche implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

- (e) Fulfilling the reporting requirements for the tranches and the overall plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee; this responsibility includes the reporting about activities undertaken by the Cooperating IA.
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

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

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist the Country in the implementation and assessment of the activities funded for by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

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

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$[figure] per ODP tonne of reductions in consumption not achieved in the year.

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# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ALGERIA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (polyurethane foam sector)	UNIDO		\$40,000	\$3,000	\$43,000	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration and air-to-air air-conditioning sector)	UNIDO		\$60,000	\$4,500	\$64,500	
<b>DESTRUCTION</b>						
<b>Preparation of project proposal</b>						
Preparation for a pilot demonstration project on ODS waste management and disposal	UNIDO		\$85,000	\$6,375	\$91,375	
<b>Total for Algeria</b>			<b>\$185,000</b>	<b>\$13,875</b>	<b>\$198,875</b>	
<b>ARGENTINA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension for institutional strengthening project (phase VI) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNDP		\$155,784	\$11,684	\$167,468	
<b>Total for Argentina</b>			<b>\$155,784</b>	<b>\$11,684</b>	<b>\$167,468</b>	
<b>BAHRAIN</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNDP	20.3	\$40,000	\$3,000	\$43,000	
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNEP		\$95,000	\$12,350	\$107,350	
<b>Total for Bahrain</b>			<b>20.3</b>	<b>\$135,000</b>	<b>\$15,350</b>	<b>\$150,350</b>
<b>BELIZE</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase V) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$38,350	\$0	\$38,350	
<b>Total for Belize</b>			<b>\$38,350</b>		<b>\$38,350</b>	
<b>BENIN</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>	UNEP		\$65,000	\$8,450	\$73,450	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>	UNIDO	4.0	\$69,000	\$6,210	\$75,210	
<b>Total for Benin</b>		<b>4.0</b>	<b>\$134,000</b>	<b>\$14,660</b>	<b>\$148,660</b>	
<b>BOLIVIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$39,434	\$0	\$39,434	
<b>Total for Bolivia</b>			<b>\$39,434</b>		<b>\$39,434</b>	
<b>BRAZIL</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (eighth tranche) <i>UNDP was requested not to commence disbursement of the funding approved by the present decision or any funding remaining after implementation of approved activities until the Committee had approved, at a future Meeting, an implementation plan covering activities related to the remaining funds, including their timing; to continue preparing annual reports on activities and expenditures according to the established formats; to provide on an annual basis a verification of the national CFC phase-out plan for Brazil, until verification of the 2010 consumption had been submitted. The Secretariat was requested to inform the Committee at its 60th Meeting of the progress achieved in planning use of the unallocated funds.</i>	UNDP	74.0	\$100,000	\$5,000	\$105,000	
<b>Total for Brazil</b>		<b>74.0</b>	<b>\$100,000</b>	<b>\$5,000</b>	<b>\$105,000</b>	
<b>CAMEROON</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$69,766	\$0	\$69,766	
<b>Total for Cameroon</b>			<b>\$69,766</b>		<b>\$69,766</b>	
<b>CAPE VERDE</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for CFCs (second tranche) <i>Approved on the understanding that UNEP will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>	UNEP	0.3	\$30,000	\$3,900	\$33,900	
<b>Total for Cape Verde</b>		<b>0.3</b>	<b>\$30,000</b>	<b>\$3,900</b>	<b>\$33,900</b>	



# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>CHINA</b>						
<b>FOAM</b>						
<b>Rigid</b>						
Conversion of the foam part of Jiangsu Huaiyin Huihuang Solar Co. Ltd. from HCFC-141b to cyclopentane <i>The World Bank and the Government were requested to deduct 5.14 ODP tonnes (46.7 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption as set by China's HCFC phase-out management plan; and the Bank was also requested to provide to the Secretariat, at the end of each year of the project's implementation period or part thereof, a progress report that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).</i>	IBRD	5.1	\$786,668	\$59,000	\$845,668	
Conversion demonstration from HCFC-141b-based to cyclopentane-based pre-blended polyol in the manufacture of rigid polyurethane foam at Guangdong Wanhua Rongwei Polyurethane Co. Ltd <i>Approved on the understanding that the release of funding by the World Bank for stage II of the project amounting to US \$635,275 would be subject to successful validation of stage I and submission of the relevant report to the Secretariat by the Bank supporting the technical feasibility and safety of the full-scale demonstration project. The World Bank and the Government were requested to deduct 6.84 ODP tonnes (62.2 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption as set by China's HCFC phase-out management plan. The Bank was also requested to provide to the Secretariat, at the end of each year of the project's implementation period or part thereof, a progress report that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b).</i>	IBRD	6.8	\$1,214,936	\$91,120	\$1,306,056	
Conversion from HCFC-141b-based to HFC-245fa-based spray polyurethane foam at Harbin Tianshuo Building Materials Co. Ltd. <i>The World Bank and the Government were requested to deduct 1.67 ODP tonnes (15.2 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption as set by China's HCFC phase-out management plan. The Bank was further requested to provide to the Secretariat at the end of each year of the project's implementation period or part thereof progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b). The World Bank and the Government were also requested to identify and explore the feasibility of lower GWP alternative technology for the foam sector plan.</i>	IBRD	1.7	\$193,808	\$14,536	\$208,344	
<b>REFRIGERATION</b>						
<b>Sectoral phase out plan</b>						
Refrigeration servicing sector CFC phase-out plan (sixth tranche) <i>Approved on the understanding that UNIDO will provide annually, by calendar year, reports on the activities undertaken until the financial closure of the phase-out plan.</i>	UNIDO	1,136.0	\$785,000	\$58,880	\$843,880	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SOLVENT</b>						
<b>Multiple solvents</b>						
ODS phase-out in China solvent sector: 2010 annual programme	UNDP	85.0	\$1,480,000	\$111,000	\$1,591,000	
<i>Approved on the understanding that UNDP will provide annually, by calendar year, reports on the activities undertaken until the financial closure of the phase-out plan.</i>						
<b>DESTRUCTION</b>						
<b>Preparation of project proposal</b>						
Preparation for a pilot demonstration project on ODS waste management and disposal	UNIDO		\$85,000	\$6,375	\$91,375	
<b>Total for China</b>		<b>1,234.7</b>	<b>\$4,545,412</b>	<b>\$340,911</b>	<b>\$4,886,323</b>	
<b>COLOMBIA</b>						
<b>DESTRUCTION</b>						
<b>Preparation of project proposal</b>						
Preparation for pilot demonstration project on ODS waste management and disposal	UNDP		\$40,000	\$3,000	\$43,000	
<b>Total for Colombia</b>			<b>\$40,000</b>	<b>\$3,000</b>	<b>\$43,000</b>	
<b>COOK ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase II, second year)	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Cook Islands</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>COSTA RICA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Total methyl bromide phase-out used as a fumigant in melons, cut flowers, bananas, tobacco seedbeds and nurseries, excluding QPS applications (tranche V)	UNDP	174.0	\$726,791	\$54,509	\$781,300	
<i>Approved with the following disbursement schedule by UNDP: US \$363,400 in 2009; US \$255,000 at the end of 2010; and US \$108,391 at the end of 2012, on the understanding that the disbursement of the funds for 2010 and 2012 would be subject to a report to be submitted by UNDP indicating that the phase-out targets had been met. UNDP was requested to present annual progress reports on implementation of the project, including financial reports, until the project is completed.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII)	UNDP		\$70,257	\$5,269	\$75,526	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Costa Rica</b>		<b>174.0</b>	<b>\$797,048</b>	<b>\$59,778</b>	<b>\$856,826</b>	

## List of projects and activities approved for funding

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Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>CROATIA</b>						
<b>FOAM</b>						
<b>Rigid</b>						
Phase-out of HCFC-141b from the manufacturing of polyurethane rigid foam at Pavusin	UNIDO	2.0	\$271,150	\$20,336	\$291,486	
<i>Approved on an exceptional basis, and without setting a precedent. UNIDO and the Government were requested to deduct 1.95 ODP tonnes (17.73 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption to be established by Croatia's HCFC phase-out management plan (HPMP). UNIDO was also requested to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include these reports in the implementation reports of the HPMP, once it had been approved.</i>						
<b>Total for Croatia</b>		<b>2.0</b>	<b>\$271,150</b>	<b>\$20,336</b>	<b>\$291,486</b>	
<b>CUBA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National ODS phase-out plan for CFCs: 2009 and 2010 annual implementation plans	UNDP	53.8	\$156,000	\$11,700	\$167,700	
<i>Approved on the understanding that UNDP will submit a progress report on the 2010 annual implementation and a verification report of 2009 CFC consumption to the 62nd Meeting of the Executive Committee.</i>						
<b>DESTRUCTION</b>						
<b>Preparation of project proposal</b>						
Preparation for pilot demonstration project on ODS waste management and disposal	UNDP		\$40,000	\$3,000	\$43,000	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII)	UNDP		\$74,533	\$5,590	\$80,123	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Cuba</b>		<b>53.8</b>	<b>\$270,533</b>	<b>\$20,290</b>	<b>\$290,823</b>	
<b>DJIBOUTI</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase out management plan for CFCs (second tranche)	UNEP	3.2	\$58,000	\$7,540	\$65,540	
<i>Approved on the understanding that UNEP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>						
<b>Total for Djibouti</b>		<b>3.2</b>	<b>\$58,000</b>	<b>\$7,540</b>	<b>\$65,540</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>ECUADOR</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan <i>Funds transferred from the World Bank at the 59th Meeting of the Executive Committee.</i>	UNIDO		\$75,000	\$5,625	\$80,625	
Preparation of a HCFC phase-out management plan <i>Funds transferred from the World Bank at the 59th Meeting of the Executive Committee.</i>	UNEP		\$75,000	\$9,750	\$84,750	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase V) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$95,767	\$0	\$95,767	
<b>Total for Ecuador</b>			<b>\$245,767</b>	<b>\$15,375</b>	<b>\$261,142</b>	
<b>ETHIOPIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase V) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Ethiopia</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>GRENADA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (third tranche) <i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNEP		\$32,500	\$4,225	\$36,725	
Terminal phase-out management plan (third tranche) <i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNDP	3.0	\$30,000	\$2,700	\$32,700	
<b>Total for Grenada</b>			<b>3.0</b>	<b>\$62,500</b>	<b>\$6,925</b>	<b>\$69,425</b>
<b>GUATEMALA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National phase-out of methyl bromide (phase II, first tranche) <i>Approved in accordance with the Agreement between the Government and the Executive Committee, and on the understanding that no more funding would be provided to the Government for the phase-out of controlled uses of methyl bromide.</i>	UNEP		\$70,000	\$9,100	\$79,100	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
National phase-out of methyl bromide (phase II, first tranche)	UNIDO	48.0	\$1,300,000	\$97,500	\$1,397,500	8.70
<i>Approved in accordance with the Agreement between the Government and the Executive Committee, and on the understanding that no more funding would be provided to the Government for the phase-out of controlled uses of methyl bromide.</i>						
<b>Total for Guatemala</b>		<b>48.0</b>	<b>\$1,370,000</b>	<b>\$106,600</b>	<b>\$1,476,600</b>	
<b>GUYANA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (second tranche)	UNEP		\$72,000	\$9,360	\$81,360	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>						
Terminal phase-out management plan for the phase-out of ODS in the refrigeration and air-conditioning sector (second tranche)	UNDP	8.0	\$91,000	\$8,190	\$99,190	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV)	UNEP		\$32,500	\$0	\$32,500	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Guyana</b>		<b>8.0</b>	<b>\$195,500</b>	<b>\$17,550</b>	<b>\$213,050</b>	
<b>HAITI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III)	UNEP		\$54,167	\$0	\$54,167	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Haiti</b>			<b>\$54,167</b>		<b>\$54,167</b>	
<b>HONDURAS</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National methyl bromide phase-out plan, phase II (fourth tranche)	UNIDO	20.4	\$106,301	\$7,973	\$114,274	
<i>Approved on the understanding that: disbursement is conditional on the submission to the Fund Secretariat of an official communication from the Government of Honduras stating that the level of methyl bromide consumption in 2009 was below 183.6 ODP tonnes, which represents the maximum allowable level of consumption in the Agreement between the Government and the Executive Committee. UNIDO will submit an annual progress report on the implementation of the project until methyl bromide is completely phased out.</i>						

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Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNEP		\$52,000	\$6,760	\$58,760	
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	UNIDO	39.7	\$37,500	\$2,813	\$40,313	
	<b>Total for Honduras</b>	<b>60.1</b>	<b>\$195,801</b>	<b>\$17,546</b>	<b>\$213,347</b>	
<b>INDIA</b>						
<b>PRODUCTION</b>						
<b>CFC closure</b>						
Accelerated CFC production phase-out (first tranche) <i>The World Bank and the Government were requested to ensure that Customs records are available to auditors for the next import audit report associated with the final funding tranche of the Accelerated Phase-out Plan to be submitted to the 61st Meeting of the Executive Committee.</i> <i>Note: 690 ODP tonnes of CFC production will be phased-out.</i>	IBRD		\$2,113,000	\$0	\$2,113,000	
CFC production sector gradual phase-out: 2009 annual implementation plan	IBRD		\$6,000,000	\$450,000	\$6,450,000	
	<b>Total for India</b>		<b>\$8,113,000</b>	<b>\$450,000</b>	<b>\$8,563,000</b>	
<b>INDONESIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNDP		\$135,623	\$10,172	\$145,795	
	<b>Total for Indonesia</b>		<b>\$135,623</b>	<b>\$10,172</b>	<b>\$145,795</b>	
<b>IRAQ</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan (additional funding)	UNIDO		\$65,000	\$4,875	\$69,875	
	<b>Total for Iraq</b>		<b>\$65,000</b>	<b>\$4,875</b>	<b>\$69,875</b>	
<b>KIRIBATI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
	<b>Total for Kiribati</b>		<b>\$32,500</b>		<b>\$32,500</b>	

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Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>KUWAIT</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$57,048	\$0	\$57,048	
<b>Total for Kuwait</b>			<b>\$57,048</b>		<b>\$57,048</b>	
<b>LIBYA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase II) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNIDO		\$73,702	\$5,528	\$79,230	
<b>Total for Libya</b>			<b>\$73,702</b>	<b>\$5,528</b>	<b>\$79,230</b>	
<b>MACEDONIA, FYR</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan for CFCs (fifth tranche)	UNIDO		\$15,000	\$1,125	\$16,125	
<b>Total for Macedonia, FYR</b>			<b>\$15,000</b>	<b>\$1,125</b>	<b>\$16,125</b>	
<b>MADAGASCAR</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase IV) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,879	\$0	\$32,879	
<b>Total for Madagascar</b>			<b>\$32,879</b>		<b>\$32,879</b>	
<b>MALAWI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$36,147	\$0	\$36,147	
<b>Total for Malawi</b>			<b>\$36,147</b>		<b>\$36,147</b>	
<b>MALAYSIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan: 2009 annual programme <i>The Government and the World Bank were requested to provide a verification of the 2009 consumption targets by the last meeting of 2010, as well as a report on the activities undertaken until the financial closure of the phase-out plan takes place.</i>	IBRD	350.7	\$275,000	\$24,750	\$299,750	
<b>Total for Malaysia</b>			<b>350.7</b>	<b>\$275,000</b>	<b>\$24,750</b>	<b>\$299,750</b>

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>MARSHALL ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV)	UNEP		\$32,500	\$0	\$32,500	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Marshall Islands</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>MEXICO</b>						
<b>FOAM</b>						
<b>Rigid (insulation refrigeration)</b>						
Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Mabe Mexico	UNDP	55.8	\$2,428,987	\$182,174	\$2,611,161	
<i>Approved on an exceptional basis, and without setting a precedent. UNDP and the Government were requested to deduct 55.87 ODP tonnes (660 metric tonnes) of HCFCs from the starting point for sustained aggregate reductions in eligible consumption to be established by Mexico's HCFC phase-out management plan (HPMP). UNDP was also requested to provide to the Secretariat, at the end of each year of the project's implementation period, progress reports that addressed the issues pertaining to the collection of accurate data in line with the objectives of decision 55/43(b), and to include these reports in the implementation reports of the HPMP, once approved.</i>						
<b>Total for Mexico</b>			<b>55.8</b>	<b>\$2,428,987</b>	<b>\$182,174</b>	<b>\$2,611,161</b>
<b>MOROCCO</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase IV)	UNEP		\$84,500	\$0	\$84,500	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Morocco</b>			<b>\$84,500</b>		<b>\$84,500</b>	
<b>MOZAMBIQUE</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	UNEP		\$59,000	\$7,670	\$66,670	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>						
Terminal phase-out management plan (second tranche)	UNDP		\$17,000	\$1,530	\$18,530	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>						
<b>Total for Mozambique</b>			<b>\$76,000</b>	<b>\$9,200</b>	<b>\$85,200</b>	



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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>NAMIBIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VI) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Namibia</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>NEPAL</b>						
<b>DESTRUCTION</b>						
<b>Technical assistance/support</b>						
Destruction of confiscated ODS	UNEP		\$157,200	\$20,436	\$177,636	
<b>Total for Nepal</b>			<b>\$157,200</b>	<b>\$20,436</b>	<b>\$177,636</b>	
<b>NICARAGUA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase V) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$30,000	\$0	\$30,000	
<b>Total for Nicaragua</b>			<b>\$30,000</b>		<b>\$30,000</b>	
<b>NIGER</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$35,115	\$0	\$35,115	
<b>Total for Niger</b>			<b>\$35,115</b>		<b>\$35,115</b>	
<b>NIGERIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
National CFC phase-out plan (seventh and eighth tranche) <i>Approved on the understanding that UNDP will submit a progress report on the 2010 annual implementation and a verification report of 2009 CFC consumption to the 62nd Meeting of the Executive Committee.</i>	UNDP	264.6	\$454,200	\$36,518	\$490,718	
<b>Total for Nigeria</b>		<b>264.6</b>	<b>\$454,200</b>	<b>\$36,518</b>	<b>\$490,718</b>	
<b>NIUE</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Niue</b>			<b>\$32,500</b>		<b>\$32,500</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>PAKISTAN</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (polyurethane foam sector)	UNIDO		\$80,000	\$6,000	\$86,000	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration and air-conditioning manufacturing sectors)	UNIDO		\$120,000	\$9,000	\$129,000	
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan (additional funding)	UNIDO		\$45,000	\$3,375	\$48,375	
<b>Total for Pakistan</b>			<b>\$245,000</b>	<b>\$18,375</b>	<b>\$263,375</b>	
<b>PALAU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Palau</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>PHILIPPINES</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (foam sector)	UNIDO		\$70,000	\$5,250	\$75,250	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (domestic air-conditioning sector)	IBRD		\$65,000	\$4,875	\$69,875	
Preparation for HCFC phase-out investment activities (refrigeration and air-conditioning sectors except residential air conditioning)	UNDP		\$65,000	\$4,875	\$69,875	
<b>Total for Philippines</b>			<b>\$200,000</b>	<b>\$15,000</b>	<b>\$215,000</b>	
<b>QATAR</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>	UNIDO	12.0	\$70,000	\$5,250	\$75,250	
Terminal phase-out management plan (second tranche) <i>Approved on the understanding that UNEP and UNIDO will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>	UNEP		\$55,000	\$7,150	\$62,150	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNIDO		\$48,208	\$3,616	\$51,824	
<b>Total for Qatar</b>		<b>12.0</b>	<b>\$173,208</b>	<b>\$16,016</b>	<b>\$189,224</b>	
<b>SAINT KITTS AND NEVIS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Saint Kitts and Nevis</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>SENEGAL</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$82,388	\$0	\$82,388	
<b>Total for Senegal</b>			<b>\$82,388</b>		<b>\$82,388</b>	
<b>SERBIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNIDO		\$71,121	\$5,334	\$76,455	
<b>Total for Serbia</b>			<b>\$71,121</b>	<b>\$5,334</b>	<b>\$76,455</b>	
<b>SEYCHELLES</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
Terminal ODS phase-out management plan (third tranche) <i>Approved on the understanding that the Government of France will submit a progress report on the 2010 annual implementation programme to the 62nd Meeting of the Executive Committee.</i>	France	0.4	\$13,000	\$1,690	\$14,690	
<b>Total for Seychelles</b>		<b>0.4</b>	<b>\$13,000</b>	<b>\$1,690</b>	<b>\$14,690</b>	
<b>SOLOMON ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Solomon Islands</b>			<b>\$32,500</b>		<b>\$32,500</b>	

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SOMALIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Institutional strengthening (first phase)	UNEP		\$30,000	\$0	\$30,000	
<b>Total for Somalia</b>			<b>\$30,000</b>		<b>\$30,000</b>	
<b>SOUTH AFRICA</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (polyurethane foam sector)	UNIDO		\$150,000	\$11,250	\$161,250	
<b>Total for South Africa</b>			<b>\$150,000</b>	<b>\$11,250</b>	<b>\$161,250</b>	
<b>SUDAN</b>						
<b>FOAM</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (polyurethane foam sector)	UNIDO		\$40,000	\$3,000	\$43,000	
<b>REFRIGERATION</b>						
<b>Preparation of project proposal</b>						
Preparation for HCFC phase-out investment activities (refrigeration and air-conditioning manufacturing sector)	UNIDO		\$60,000	\$4,500	\$64,500	
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan (additional funding)	UNIDO		\$120,000	\$9,000	\$129,000	
<b>Total for Sudan</b>			<b>\$220,000</b>	<b>\$16,500</b>	<b>\$236,500</b>	
<b>SURINAME</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III)	UNEP		\$39,722	\$0	\$39,722	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Suriname</b>			<b>\$39,722</b>		<b>\$39,722</b>	
<b>SWAZILAND</b>						
<b>PHASE-OUT PLAN</b>						
<b>CFC phase out plan</b>						
Terminal phase-out management plan (second tranche)	UNEP		\$57,000	\$7,410	\$64,410	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>						
Terminal phase-out management plan (second tranche)	UNDP	3.7	\$40,000	\$3,600	\$43,600	
<i>Approved on the understanding that UNEP and UNDP will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>						

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Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Swaziland</b>		<b>3.7</b>	<b>\$129,500</b>	<b>\$11,010</b>	<b>\$140,510</b>	
<b>TIMOR LESTE</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of HCFC phase-out management plan	UNEP		\$30,000	\$3,900	\$33,900	
<b>CFC phase out plan</b>						
Preparation of country programme	UNEP		\$20,000	\$2,600	\$22,600	
<b>Total for Timor Leste</b>			<b>\$50,000</b>	<b>\$6,500</b>	<b>\$56,500</b>	
<b>TONGA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase III) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Tonga</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>TRINIDAD AND TOBAGO</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan (additional funding)	UNDP		\$65,000	\$4,875	\$69,875	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VI) <i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>	UNDP		\$30,000	\$2,250	\$32,250	
<b>Total for Trinidad and Tobago</b>			<b>\$95,000</b>	<b>\$7,125</b>	<b>\$102,125</b>	
<b>TURKMENISTAN</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
Technical assistance for the elimination of methyl bromide in post harvest sector <i>Approved on the understanding that no more funding would be provided to the Government for the phase-out of controlled uses of methyl bromide.</i>	UNIDO	2.8	\$179,586	\$16,163	\$195,749	
<b>Total for Turkmenistan</b>		<b>2.8</b>	<b>\$179,586</b>	<b>\$16,163</b>	<b>\$195,749</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>UGANDA</b>						
<b>PHASE-OUT PLAN</b>						
<b>ODS phase out plan</b>						
Terminal phase-out management plan (second tranche)	France	1.9	\$62,500	\$8,125	\$70,625	
<i>Approved on the understanding that France will submit a progress report on the implementation of the 2009-2010 annual programme to the 62nd Meeting of the Executive Committee.</i>						
<b>Total for Uganda</b>		<b>1.9</b>	<b>\$62,500</b>	<b>\$8,125</b>	<b>\$70,625</b>	
<b>VANUATU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase II, second year)	UNEP		\$32,500	\$0	\$32,500	
<b>Total for Vanuatu</b>			<b>\$32,500</b>		<b>\$32,500</b>	
<b>VIETNAM</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National phase-out plan of out methyl bromide (second tranche)	IBRD	5.2	\$650,000	\$48,750	\$698,750	
<i>The Government and the World Bank were requested to continue monitoring the phase-out of MB and report back to the Executive Committee annually on the progress in meeting the reductions required by this project. The Government was urged to prioritize the strengthening of the licensing system to identify and allow reporting of MB imported for QPS and non QPS uses separately.</i>						
<b>Total for Vietnam</b>		<b>5.2</b>	<b>\$650,000</b>	<b>\$48,750</b>	<b>\$698,750</b>	
<b>YEMEN</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VI)	UNEP		\$92,083	\$0	\$92,083	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Yemen</b>			<b>\$92,083</b>		<b>\$92,083</b>	
<b>ZIMBABWE</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
Preparation of a HCFC phase-out management plan	Germany		\$85,000	\$11,050	\$96,050	
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase VI)	UNEP		\$80,297	\$0	\$80,297	
<i>Approved up to 31 December 2010 in accordance with decision 58/16.</i>						
<b>Total for Zimbabwe</b>			<b>\$165,297</b>	<b>\$11,050</b>	<b>\$176,347</b>	

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>GLOBAL</b>						
<b>SEVERAL</b>						
<b>Training programme/workshop</b>						
Training on alternative technologies to HCFCs	Japan		\$141,750	\$18,428	\$160,178	
<b>Agency programme</b>						
Core unit budget (2010)	UNDP		\$0	\$1,913,365	\$1,913,365	
Compliance Assistance Programme: 2010 budget	UNEP		\$8,745,000	\$699,600	\$9,444,600	
<i>In future submissions of the CAP budget, UNEP was requested: to continue to provide detailed information on the activities for which the global funds would be used; to continue to expand the prioritization of funding between CAP budget lines so as to accommodate changing priorities; and to provide details on the reallocations made for its budget following decisions 47/24 and 50/26; and to continue to report on the current staff post levels and to inform the Committee of any changes therein, particularly in respect of any increased budgetary allocations.</i>						
Core unit budget (2010)	IBRD		\$0	\$1,701,466	\$1,701,466	
Core unit budget (2010)	UNIDO		\$0	\$1,913,365	\$1,913,365	
<i>To discuss at the 60th Meeting, a methodology to assist UNIDO in identifying project-related costs, if any, in its annual report on administrative costs.</i>						
<b>Total for Global</b>			<b>\$8,886,750</b>	<b>\$6,246,224</b>	<b>\$15,132,974</b>	
<b>GRAND TOTAL</b>		<b>2,382.3</b>	<b>\$32,955,268</b>	<b>\$7,864,210</b>	<b>\$40,819,478</b>	

## Summary

UNEP/OzL.Pro/ExCom/59/59  
Annex V

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
<b>BILATERAL COOPERATION</b>				
Phase-out plan	2.3	\$160,500	\$20,865	\$181,365
Several		\$141,750	\$18,428	\$160,178
<b>TOTAL:</b>	2.3	\$302,250	\$39,293	\$341,543
<b>INVESTMENT PROJECT</b>				
Foam	71.4	\$4,895,549	\$367,166	\$5,262,715
Fumigant	250.4	\$3,032,678	\$233,995	\$3,266,673
Production		\$8,113,000	\$450,000	\$8,563,000
Refrigeration	1,136.0	\$785,000	\$58,880	\$843,880
Solvent	85.0	\$1,480,000	\$111,000	\$1,591,000
Phase-out plan	837.2	\$1,970,200	\$187,201	\$2,157,401
<b>TOTAL:</b>	2,380.0	\$20,276,427	\$1,408,242	\$21,684,669
<b>WORK PROGRAMME AMENDMENT</b>				
Foam		\$380,000	\$28,500	\$408,500
Refrigeration		\$370,000	\$27,750	\$397,750
Phase-out plan		\$495,000	\$44,000	\$539,000
Destruction		\$407,200	\$39,186	\$446,386
Several		\$10,724,391	\$6,277,239	\$17,001,630
<b>TOTAL:</b>		\$12,376,591	\$6,416,675	\$18,793,266
<b>Summary by Parties and Implementing Agencies</b>				
France	2.3	\$75,500	\$9,815	\$85,315
Germany		\$85,000	\$11,050	\$96,050
Japan		\$141,750	\$18,428	\$160,178
IBRD	369.5	\$11,298,412	\$2,394,497	\$13,692,909
UNDP	742.2	\$6,240,175	\$2,384,001	\$8,624,176
UNEP	3.5	\$10,992,863	\$820,201	\$11,813,064
UNIDO	1,264.9	\$4,121,568	\$2,226,218	\$6,347,786
<b>GRAND TOTAL</b>	2,382.3	\$32,955,268	\$7,864,210	\$40,819,478



**ADJUSTMENTS ARISING FROM THE 59TH MEETING OF THE EXECUTIVE COMMITTEE FOR  
BALANCES ON PROJECTS AND ACTIVITIES**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
France (per decision 59/2(d))*	195,678	5,267	200,945
Italy (per decision 59/2(d))*	676	85	761
UNDP (per decision 59/2(b)&(c))	347,295	29,396	376,691
UNEP (per decision 59/2(b)&(c))	222,248	26,227	248,475
UNIDO (per decision 59/2(b)&(c))	155,272	14,504	169,776
World Bank (per decision (59/2(c))**	0	360,069	360,069
<b>Total</b>	<b>921,169</b>	<b>435,548</b>	<b>1,356,717</b>

\*Cash transfer per Decision 59/2(d).

\*\* Return against the WB Core Unit costs

**ADJUSTMENTS ARISING FROM THE 59TH MEETING OF THE EXECUTIVE COMMITTEE FOR  
TRANSFERRED PROJECTS**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
UNEP (per decision 59/2(b)&(c) (1)	75,000	9,750	84,750
UNIDO (per decision 59/2(b)&(c)(1)	75,000	5,625	80,625
World Bank (per decision (59/2(b)&(c))	-150,000	-11,250	-161,250

(1) Included in the list of approved projects.

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON  
DECISIONS OF THE 59TH MEETING OF THE EXECUTIVE COMMITTEE**

<b>Agency</b>	<b>Project Costs (US\$)</b>	<b>Support Costs (US\$)</b>	<b>Total (US\$)</b>
France (1)	75,500	9,815	85,315
Germany (1)	85,000	11,050	96,050
Japan (1)	141,750	18,428	160,178
UNDP	5,892,880	2,354,605	8,247,485
UNEP	10,770,615	793,974	11,564,589
UNIDO	3,966,296	2,211,714	6,178,010
World Bank	11,148,412	2,023,178	13,171,590
<b>Total</b>	<b>32,080,453</b>	<b>7,422,764</b>	<b>39,503,217</b>

(1) Total amount to be assigned to 2009 bilateral contributions.



## **Annex VI**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 59th MEETING**

#### **Argentina**

1. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Argentina and notes with appreciation that Argentina is well on its way to meeting the targets of the Montreal Protocol. The Executive Committee greatly supports the efforts of Argentina for this new phase and notes that priority will be to sustain CFC phase-out, as well as initiate the preparation of the HCFC phase-out management plan (HPMP) and subsequently the preparation and implementation of investment and non-investment activities in order to comply with the 2013 freeze and 2015 10 per cent reduction targets for HCFC. The Executive Committee is therefore hopeful that Argentina will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels.

#### **Belize**

2. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for Belize and notes with appreciation that Belize reported 2008 Article 7 data to the Ozone Secretariat demonstrating that it maintained zero consumption of CFCs, halons, and also ODS solvents, and that its methyl bromide imports are only for QPS. The Executive Committee is therefore hopeful that in the next year Belize will continue with the implementation of its country programme activities with outstanding success towards maintaining the phase-out of its ODS consumption as stated in its action plan. The Executive Committee also encourages Belize to initiate the activities required for the phase-out of HCFCs in the country.

#### **Bolivia (Plurinational State of)**

3. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for the Plurinational State of Bolivia and notes with appreciation that the Plurinational State of Bolivia reported 2008 Article 7 data to the Ozone Secretariat demonstrating that it maintained compliance for consumption of Annex A Group 1 CFCs, halons and also ODS solvents and methyl bromide. With the activities planned for the next phase the Executive Committee also notes that the Plurinational State of Bolivia has a highly institutionalized national ozone office supported through this IS project. The Executive Committee encourages the Plurinational State of Bolivia to initiate the activities required for the phase-out of HCFCs in the country.

#### **Cameroon**

4. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Cameroon and notes with appreciation that Cameroon has reported 2008 Article 7 data to the Ozone Secretariat stating that it reduced its CFC consumption below the 15 per cent target for 2007. The Executive Committee is therefore hopeful that, in the next year, Cameroon will continue with the implementation of its country programme activities with outstanding success towards the phase-out of its ODS consumption as stated in its action plan. The Executive Committee also encourages Cameroon to initiate the activities required for the phase-out of HCFCs in the country.

### **Cook Islands (the)**

5. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension request for the Cook Islands and notes with appreciation that the Cook Islands has reported Article 7 data to the Ozone Secretariat indicating that it has phased out its CFC consumption. It also notes that the Cook Islands have submitted their country programme data for 2008. The Executive Committee is therefore hopeful that, in the next phase of the IS project, the Cook Islands will continue with the implementation of its country programme and activities with outstanding success to sustain the complete phase-out of CFC consumption in accordance with the Montreal Protocol's control measures, as well as initiate steps to control the consumption of HCFCs.

### **Costa Rica**

6. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Costa Rica and notes with appreciation that it is well on its way to meeting the targets of the Montreal Protocol. The Executive Committee also notes the very well structured ozone unit established within the Ministry of Environment, Energy and Telecommunications (MINAET) which is instrumental in leading the country to meet compliance under the Montreal Protocol. It supports the efforts of the country, and notes that the next two years will be of utmost importance for the future of the Montreal Protocol programme in Costa Rica especially the inclusion of HCFC in its licensing system and the activities that need to be implemented to complete the HCFC phase-out management plant (HPMP) to ensure sustainable long-term results. The Executive Committee is therefore hopeful that Costa Rica will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels.

### **Cuba**

7. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Cuba and notes with appreciation that it is well on its way to meeting the targets of the Montreal Protocol. The Executive Committee also notes that Cuba will face very important challenges in the next two years, as it sustains the phase-out of the consumption of CFCs, and establishes the HCFC baseline based on 2009 and 2010 consumption. It is encouraged by the fact that there is a strong ozone unit during this crucial period and supports the extension of the IS project to maintain this momentum. The Executive Committee is therefore hopeful that Cuba will continue with the implementation of its country programme and national phase-out activities with outstanding success in the reduction of current ODS consumption levels.

### **Ecuador**

8. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for Ecuador and notes with appreciation that Ecuador reported 2008 Article 7 data to the Ozone Secretariat demonstrating that it maintained compliance for CFCs. It also notes and appreciates the efforts of Ecuador to implement the action plan associated with its non-compliance with methyl bromide control measures in 2007, and is encouraged to see that its 2008 consumption shows that is now back in compliance. The Executive Committee also notes that Ecuador has a highly institutionalized national ozone office supported through this IS project which shows the country's commitment to meeting the targets under the Montreal Protocol. The Executive Committee is therefore hopeful that, in the next phase of the IS project, Ecuador will complete its planned ODS phase-out activities in accordance with the Montreal Protocol control schedules. The Executive Committee also encourages Ecuador to initiate the activities required for the phase-out of HCFCs in the country.

## **Ethiopia**

9. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Ethiopia and notes with appreciation that Ethiopia has reported Article 7 data to the Ozone Secretariat indicating that it is on track to phase-out consumption of CFCs by January 2010. The Executive Committee is therefore hopeful that, in the next phase of the IS project, the country will complete its planned ODS phase-out activities in accordance with the Montreal Protocol control schedules. The Executive Committee also encourages Ethiopia to initiate the activities required for the phase-out of HCFCs in the country.

## **Guyana**

10. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for Guyana and notes with appreciation that Guyana reported 2008 Article 7 data to the Ozone Secretariat demonstrating that it maintained compliance for zero consumption of Annex A Group 1 CFCs, halons and also ODS solvents and methyl bromide. With the activities planned the Executive Committee also notes that Guyana has a highly institutionalized national ozone office supported through this IS project. The Executive Committee is therefore hopeful that, in the next phase of the IS project, the country will complete its planned ODS phase-out activities in accordance with the Montreal Protocol control schedules. The Executive Committee also encourages Guyana to initiate the activities required for the phase-out of HCFCs in the country.

## **Haiti**

11. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for Haiti and notes with appreciation that Haiti reported Article 7 data to the Ozone Secretariat demonstrating that it was in compliance with reduction steps for all controlled substances. The Executive Committee acknowledges with appreciation that Haiti has completed the establishment of the ODS licensing system which includes HCFC and is hopeful that in the next phase of the IS project the country will complete its planned ODS phase-out activities in accordance with the Montreal Protocol control schedules. The Executive Committee also encourages Haiti to initiate the activities required for the phase-out of HCFCs in the country.

## **Indonesia**

12. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Indonesia and notes with appreciation that it is well on its way to meeting the targets of the Montreal Protocol. The Executive Committee notes with appreciation the various policy and regulatory initiatives by Government of Indonesia for effective monitoring and control of ODS. The Executive Committee also notes that Indonesia will continue to decentralize the monitoring and enforcement, through strengthening of local government entities, to ensure sustainability of ODS phase-out. The Committee also expresses the expectation that Indonesia will successfully complete the implementation of its programmed activities with outstanding progress, sustain and build upon its success in controlling ODS in meeting its obligations under the Montreal Protocol.

## **Kiribati**

13. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Kiribati and notes with appreciation that Kiribati has reported Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol control schedules. The Executive Committee is therefore hopeful that, in the next phase, Kiribati will continue with the implementation of its country programme and activities to sustain the complete phase-out of CFCs and to initiate the activities required for the phase-out of HCFCs in the country.

### **Kuwait**

14. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Kuwait and notes with appreciation that Kuwait reported 2008 Article 7 data to the Ozone Secretariat and its 2008 country programme data report to the Fund Secretariat. The Executive Committee noted that Kuwait has taken significant steps to phase out its consumption of ODS and taken important initiatives to train refrigeration technicians and customs officers. The Executive Committee is confident that Kuwait will achieve total CFC phase out by 1 January 2010. The Executive Committee also encourages Kuwait to initiate the activities required for the phase-out of HCFCs in the country.

### **Libyan Arab Jamahiriya (the)**

15. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for the Libyan Arab Jamahiriya and notes with appreciation the compliance to its reporting obligations to the Ozone Secretariat as well as to the Multilateral Fund Secretariat in regard of the Article 7 and the country programme progress implementation data for the year 2008. The Executive Committee also notes that within the framework of the IS project, the Libyan Arab Jamahiriya has taken significant steps to strengthen the National Ozone Unit (NOU) office. The Executive Committee supports the efforts of the Libyan Arab Jamahiriya to achieve the ratification of the Beijing and Montreal Amendments to the Montreal Protocol and to reduce the consumption of CFCs.

### **Madagascar**

16. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal for Madagascar and notes with appreciation that Madagascar has reported Article 7 data to the Ozone Secretariat showing that its CFC consumption in 2008 meets compliance with the Montreal Protocol targets. The Executive Committee is therefore hopeful that in the next two years Madagascar will continue its efforts in the implementation of its country programme and related activities with outstanding success. The Executive Committee also encourages Madagascar to initiate the activities required for the phase-out of HCFCs in the country.

### **Malawi**

17. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Malawi and notes with appreciation the fact that Malawi reported 2008 Article 7 data to the Ozone Secretariat, and that it is in compliance with the Montreal Protocol targets for CFC phase-out. The Executive Committee further noted that Malawi has taken some significant steps to phase out its consumption of ODS in the period covered for their IS project. The Executive Committee is hopeful that during the next phase Malawi will continue the implementation of the licensing system, initiate activities required for HCFC phase-out, sustain phase-out of methyl bromide in the tobacco sector, continue to implement technical assistance and non-investment programmes with outstanding progress, and sustain and build upon its current levels of reductions in ODS including zero CFC consumption by 1 January 2010. The Executive Committee also encourages Malawi to initiate the activities required for the phase-out of HCFCs in the country.

### **Marshall Islands (the)**

18. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for the Marshall Islands and notes with appreciation that the Marshall Islands has reported Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol. The Marshall Islands has taken significant steps to phase out its CFC consumption and the Executive Committee is therefore hopeful that the Marshall Islands will continue with the implementation of its

country programme and activities with outstanding success and sustain its phase-out of CFC consumption beyond January 2010. The Executive Committee also encourages the Marshall Islands to initiate the activities required for the phase-out of HCFCs in the country.

### **Morocco**

19. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal for Morocco and notes with appreciation that Morocco has reported Article 7 data to the Ozone Secretariat showing the country's 2008 level of consumption of ODS below the limits set by the Montreal Protocol. The Executive Committee is therefore hopeful that Morocco will continue with the implementation of its country programme and national phase-out plan activities with outstanding success in the reduction of ODS consumption. The Executive Committee also encourages Morocco to initiate the activities required for the phase-out of HCFCs in the country.

### **Namibia**

20. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Namibia and notes with appreciation the fact that it has reported 2008 data to the Ozone Secretariat stating the country has already achieved zero consumption of CFC ahead of 1 January 2010 target for complete phase-out. The Executive Committee also notes that Namibia has taken some significant steps such as ODS imports controls through a licensing and quota system, and training of customs officers and refrigeration technicians. The Executive Committee expressed the expectation that, in the coming year, Namibia will sustain and build upon its current levels of reductions in ODS. The Executive Committee also encourages Namibia to initiate the activities required for the phase-out of HCFCs in the country.

### **Nicaragua**

21. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Nicaragua and notes with appreciation that Nicaragua has reported CFC data that meets the Montreal Protocol target. The Executive Committee also notes that Nicaragua reported that it has taken important initiatives, namely, the reduction of ODS imports through a licensing system, the organization of training workshops for customs officers and the monitoring of recovery and recycling projects during this current IS phase. The Executive Committee expressed the expectation that, in the coming year, Nicaragua will sustain and build upon its current levels of reductions in ODS. The Executive Committee also encourages Nicaragua to initiate the activities required for the phase-out of HCFCs in the country.

### **Niger**

22. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal for Niger and notes with appreciation that Niger has reported Article 7 data to the Ozone Secretariat showing that its CFC consumption in 2008 is below the required Montreal Protocol 85 per cent reduction step. The Executive Committee is therefore hopeful that Niger will continue with the implementation of its country programme and related activities with outstanding success towards total phase-out of all ODS in the country. The Executive Committee also encourages Niger to initiate the activities required for the phase-out of HCFCs in the country.

### **Niue**

23. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Niue and notes with appreciation that Niue has reported Article 7 data to the Ozone Secretariat indicating that Niue has phased out its CFC consumption. The Executive Committee is

therefore hopeful that, in the next phase of its IS project, Niue will continue with the implementation of its country programme and activities with outstanding success. The Executive Committee also encourages Niue to initiate the activities required for the phase-out of HCFCs in the country.

### **Palau**

24. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Palau and notes with appreciation that Palau has reported Article 7 data to the Ozone Secretariat indicating that it is in compliance with its CFC consumption. Palau has taken significant steps to phase out its CFC consumption. The Executive Committee is therefore hopeful that, in the next phase, Palau will continue with the implementation of its country programme and activities with outstanding success. The Executive Committee also encourages Palau to initiate the activities required for the phase-out of HCFCs in the country.

### **Qatar**

25. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Qatar and notes with appreciation its compliance to Montreal Protocol provisions. The Executive Committee also notes that within the framework of the IS project, Qatar has taken significant steps to phase out its ozone depleting substances (ODS) consumption; specifically, implementation of strategies in different sectors of ODS phase-out as well as continued regulatory efforts through the licensing and quota system. The Executive Committee greatly supports the efforts of Qatar to reduce the consumption of CFCs, and encourages the country to initiate control of HCFC consumption by preparing the HCFC phase-out management plan (HPMP).

### **Saint Kitts and Nevis**

26. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for St. Kitts and Nevis and notes with appreciation that Saint Kitts and Nevis reported its 2008 Article 7 data to the Ozone Secretariat demonstrating that the Party maintained zero consumption of Annex A Group1 CFCs and also that the country has ratified the Beijing Amendment of the Montreal Protocol. With the activities planned for the next phase of the IS, the Executive Committee also notes that Saint Kitts and Nevis has a sustained and institutionalized a national ozone office supported through this IS project and that the Government is committed to managing and completing all national Montreal Protocol activities. The Executive Committee is therefore hopeful that Saint Kitts and Nevis will continue to implement activities with outstanding success. The Executive Committee also encourages Saint Kitts and Nevis to initiate the activities required for the phase-out of HCFCs in the country.

### **Senegal**

27. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal for Senegal and notes with appreciation that the country has reported Article 7 data to the Ozone Secretariat showing that it reduced its CFC consumption in 2008 beyond the required 85 per cent reduction step required by 1 January 2007. The Executive Committee is therefore hopeful that Senegal will continue with the implementation of its country programme and related activities with outstanding success towards total phase out its ODS consumption and meeting the Montreal Protocol targets. The Executive Committee also encourages Senegal to initiate the activities required for the phase-out of HCFCs in the country.



## **Serbia**

28. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Serbia and notes with appreciation that Serbia is complying to the phase-out schedule and to its reporting obligations as under Article 4 and Article 7 of the Montreal Protocol. The Executive Committee also notes that within the framework of the IS project, Serbia has taken significant steps in terms of capacity building, as well as to phase out its ozone depleting substances (ODS) consumption; specifically with the implementation of strategies in different sectors of ODS phase-out and continued regulatory efforts through the licensing and quota system. The Executive Committee is therefore hopeful that Serbia will continue with the implementation of its country programme and the national phase-out management plan (NPP) activities with outstanding success.

## **Solomon Islands**

29. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for the Solomon Islands and notes with appreciation that the Solomon Islands have reported Article 7 data to the Ozone Secretariat indicating that Solomon Islands is in compliance with the scheduled phase-out of CFC consumption. The Executive Committee is therefore hopeful that, in the next phase, Solomon Islands will continue with the implementation of its country programme and activities with outstanding success to sustain its phase-out of CFC consumption. The Executive Committee also encourages Solomon Islands to initiate the activities required for the phase-out of HCFCs in the country.

## **Suriname**

30. The Executive Committee has reviewed the report submitted with the institutional strengthening (IS) project renewal request for Suriname and notes with appreciation that Suriname reported 2008 Article 7 data to the Ozone Secretariat demonstrating that Suriname maintained compliance for zero consumption of Annex A Group1 CFCs. With the activities planned for the next phase, the Executive Committee also notes that this country has a sustained and institutionalized national ozone office supported through this IS project. The Executive Committee is therefore hopeful that, in the next phase, Suriname will continue with the implementation of its country programme and activities with outstanding success to sustain its phase-out of CFC consumption. The Executive Committee also encourages Suriname to initiate the activities required for the phase-out of HCFCs in the country.

## **Swaziland**

31. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Swaziland and notes with appreciation the fact that Swaziland reported Article 7 to zero consumption of CFCs and has met the Montreal Protocol phase-out targets. In its submission, Swaziland reported that it has taken important initiatives, namely the implementation of ODS imports controls through a licensing system, training of customs officers and refrigeration technicians. The Executive Committee greatly appreciates the efforts of Swaziland and expresses the expectation that during the next phase Swaziland will continue the enforcement of the licensing system, implement technical assistance and non-investment programmes with outstanding progress, and sustain and build upon its current levels of reductions in ODS.

## **Tonga**

32. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Tonga and notes with appreciation that Tonga has reported Article 7 data to the Ozone Secretariat indicating that Tonga is in compliance with the phase-out of CFC consumption in accordance with the Montreal Protocol targets. The Executive Committee is therefore hopeful that during the next

phase Tonga will continue with the implementation of its country programme and activities with outstanding success to sustain its phase-out of CFC consumption. The Executive Committee also encourages Tonga to initiate the activities required for the phase-out of HCFCs in the country.

### **Trinidad and Tobago**

33. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) project renewal request for Trinidad and Tobago and notes with appreciation that it is well on its way to meeting the targets of the Montreal Protocol. The Executive Committee notes that current HCFC consumption in the country is high for a country the size of Trinidad and Tobago, and encourages the country to use these IS funds to build a strong ozone unit that can take the lead in the process of preparing a national HCFC strategy, in order to comply with the 2013 freeze target. The Committee also expresses the expectation that Trinidad and Tobago will successfully complete the implementation of its programmed activities with outstanding progress, sustain and build upon its success in controlling ODS in meeting its obligations under the Montreal Protocol.

### **Vanuatu**

34. The Executive Committee has reviewed the report of the institutional strengthening (IS) project extension for Vanuatu and notes with appreciation that Vanuatu has reported Article 7 data to the Ozone Secretariat indicating that Vanuatu is on track with the Montreal Protocol phase-out schedule for CFC consumption. It also notes that Vanuatu has submitted its country programme data for 2008. The Executive Committee is therefore hopeful that Vanuatu will continue with the implementation of its country programme and activities with outstanding success including the complete phase-out of CFC consumption by 1 January 2010. The Executive Committee also encourages Vanuatu to initiate the activities required for the phase-out of HCFCs in the country.

### **Yemen**

35. The Executive Committee has reviewed the report presented with the institutional strengthening (IS) Project renewal and notes with appreciation that Yemen has reported data to the Ozone Secretariat indicating that the country is in compliance with the phase-out schedule in CFC consumption. The Executive Committee is therefore hopeful that Yemen will continue with the implementation of its Country Programme and National Phase out Plan activities with outstanding success in achieving zero consumption of CFC by 1 January 2010. The Executive Committee also encourages Yemen to initiate the activities required for the phase-out of HCFCs in the country.

### **Zimbabwe**

36. The Executive Committee has reviewed the information presented with the institutional strengthening (IS) renewal request for Zimbabwe and notes with appreciation the fact that Zimbabwe reported 2008 data to the Ozone Secretariat that is lower than its 85 per cent CFC reduction target for 2008 agreed with the Executive Committee. The Executive Committee further noted that Zimbabwe has taken some significant steps to phase out its consumption of ODS in the period covered for the project, including the introduction of an ODS imports and licensing system, training of customs officers and refrigeration technicians. The Executive Committee greatly appreciates the efforts of Zimbabwe to reduce the consumption of ODS and expresses the expectation that Zimbabwe will continue the successful implementation of the ODS licensing system, its CFC terminal phase-out plan, total phase-out of methyl bromide in the tobacco sector, technical assistance and non investment programmes, and sustain and build upon its current levels of reductions in ODSs including the total phase of CFC consumption by 1 January 2010. The Executive Committee also encourages Zimbabwe to initiate the activities required for the phase-out of HCFCs in the country.

## 2010 CAP Budget

	Bud Ln	Component	Location			CAP 2009 Approved at ExCom 56	CAP 2010 Approved for ExCom 59	
<b>10</b>	<b>PROJECT PERSONNEL COMPONENT</b>							
	1100	<i>Project personnel</i>						
		<b>Title</b>		<b>Grade</b>	<b>m/y</b>			
	1101	Head of Branch	Paris	D1	10	191,000	196,000	
	1102	Network & Policy Manager	Paris	P5	12	207,000	213,000	
	1103	Capacity Building Manager - Compliance	Paris	P4/P5	12	181,000	200,000	
	1104	Information Manager	Paris	P4	12	181,000	186,000	
	1105	Monitoring & Administration Officer	Paris	P4	6	152,000	93,000	
	1106	Information Officer	Paris	P2/P3	12	114,000	137,000	
	1107	Programme Officer - HCFC	Paris	P3	12	152,000	156,000	
	1108	Programme Officer - ECA / Paris	Paris / ECA	P3	12	152,000	156,000	
	1109	Programme Officer - Information Technology	Paris	P3/P4	6	76,000	78,000	
	1110	ROA Programme Officer - HPMP	Nairobi	P4	12	167,000	172,000	
	1111	ROA Programme Officer - Policy and Enforcement	Nairobi	P4	12	167,000	172,000	
	1112	ROA Programme Officer	Nairobi	P3	12	137,000	141,000	
	1113	ROA Programme Officer - Methyl Bromide	Nairobi	P3	12	137,000	141,000	
	1114	ROLAC Regional Network Coordinator	Panama	P4	12	153,000	157,000	
	1115	ROLAC Programme Officer - Policy and Enforcement	Panama	P4	12	153,000	157,000	
	1116	ROLAC Programme Officer - HPMP	Panama	P3	12	130,000	134,000	
	1117	ROLAC Programme Officer - Methyl Bromide	Panama	P3	12	130,000	134,000	
	1118	ROAP Regional Network Coordinator	Bangkok	P5	12	174,000	180,000	
	1119	ROAP Programme Officer - Policy and Enforcement	Bangkok	P4	12	152,000	157,000	
	1120	ROAP PIC Network Coordinator - HPMP	Bangkok	P4	12	152,000	157,000	
	1121	ROAP Programme Officer - HPMP	Bangkok	P3	12	124,000	128,000	
	1122	ROWA Regional Network Coordinator	Bahrain	P4	12	179,000	183,000	
	1123	ROWA Programme Officer - HPMP	Bahrain	P4	12	151,000	170,000	
	1124	ROWA Programme Officer - Policy and Enforcement	Bahrain	P3	12	151,000	151,000	
	1125	ROA Regional Network Coordinator	Nairobi	P5	12	194,000	200,000	
	1126	ECA Regional Network Coordinator	ECA	P4	12	152,000	186,000	
	1127	ROAP SEA Network Coordinator	Bangkok	P4	12		157,000	
	1199	<i>Sub-total</i>				4,009,000	4,292,000	
	1300	<i>Programme Assistance (General Service staff)</i>						
		<b>Title/Description</b>		<b>Level</b>	<b>m/m</b>			
	1301	Secretary Chief	Paris	G6	12	94,000	97,000	
	1302	Assistant Network Manager	Paris	G6	12	83,000	97,000	
	1303	Assistant Clearinghouse	Paris	G6	12	94,000	97,000	
	1304	Assistant Monitoring & Administration	Paris	G6	6	94,000	49,000	
	1305	Assistant IS/RMP/CP	Paris	G5	12	83,000	85,000	
	1306	Assistant Programme	Paris	G5	12	83,000	85,000	
	1307	Assistant Data & Documentation	Paris	G5	12	83,000	85,000	
	1309	ROA RNC Assistant	Nairobi	G5	12	28,000	29,000	
	1310	ROA Office Assistant	Nairobi	G6	12	35,000	36,000	
	1311	ROLAC RNC Assistant	Panama	G6	12	36,000	37,000	
	1312	ROLAC Office Assistant	Panama	G5	12	29,000	30,000	
	1313	ROAP-SA RNC Assistant	Bangkok	G5	12	43,000	45,000	
	1314	ROAP Office Assistant	Bangkok	G6	12	55,000	57,000	
	1315	ROWA RNC Assistant	Bahrain	G6	12	44,000	51,000	
	1316	ROWA Office Assistant	Bahrain	G6	12	36,000	51,000	
	1317	Temporary assistance CAP				68,000	48,000	
	1318	RNC ECA Assistant	ECA	G5	12	83,000	85,000	
	1319	ROAP SEA Project Assistant	Bangkok	G4	12		40,000	
	1320	ROLAC Office Assistant	Panama	G3	12		18,000	
	1399	<i>Sub-total</i>				1,071,000	1,122,000	
	1600	<i>Travel on official business (UNEP staff)</i>						
	1601	Paris staff travel	Paris			200,000	200,000	
	1602	ROA staff travel	Nairobi			135,000	139,000	
	1603	ROLAC staff travel	Panama			90,000	93,000	
	1604	ROAP staff travel	Bangkok			65,000	80,000	
	1605	ROWA staff travel	Bahrain			70,000	60,000	
	1606	ECA staff travel	ECA			35,000	25,000	
	1699	<i>Sub-total</i>				595,000	597,000	
	1999	<b>COMPONENT TOTAL</b>					<b>5,675,000</b>	<b>6,011,000</b>
<b>20</b>	<b>SUB CONTRACT COMPONENT</b>							
	2200	<i>Sub-contracts (MOUs/LAs for supporting organizations)</i>						
	2202	ROA Sub-contracts with supporting organizations	Nairobi			30,000	27,000	
	2203	ROLAC Sub-contracts with supporting organizations	Panama			12,000	14,000	

	Bud Ln	Component	Location		CAP 2009 Approved at ExCom 56	CAP 2010 Approved for ExCom 59
	2204	ROAP Sub-contracts with supporting organizations	Bangkok		31,000	23,000
	2205	ROWA Sub-contracts with supporting organizations	Bahrain		52,000	50,000
	2206	ECA Sub-contracts with supporting organizations	ECA		40,000	33,000
	2212	ROA Regional awareness raising	Nairobi		49,000	38,000
	2213	ROLAC Regional awareness raising	Panama		75,000	72,000
	2214	ROAP Regional awareness raising	Bangkok		40,000	48,000
	2215	ROWA Regional awareness raising	Bahrain		24,000	20,000
	2216	ECA Regional awareness raising	ECA		25,000	12,000
	2299	<i>Sub-total</i>			378,000	337,000
	2300	<i>Sub-contracts (for commercial purposes)</i>				
	2301	Technical and policy information materials	Paris		64,000	64,000
	2302	OzonAction Newsletter / Thematic Special Issues	Paris		100,000	100,000
	2303	Illustration/graphics/layout design	Paris		18,000	18,000
	2304	Exhibition/outreach	Paris		20,000	20,000
	2305	Adaptable media materials for the International Ozone Day	Paris		200,000	150,000
	2306	Regional Capacity Building and Tech support on HCFC	Regional		50,000	65,000
	2399	<i>Sub-total</i>			452,000	417,000
	<b>2999</b>	<b>COMPONENT TOTAL</b>			<b>830,000</b>	<b>754,000</b>
<b>30</b>		<b>TRAINING COMPONENT</b>				
	3300	<i>Meetings/conferences</i>				
	3301	Advisory and Consultative Meetings - Paris	Paris		31,000	30,000
	3302	ROA network meetings/thematic workshops	Nairobi		268,000	273,000
	3303	ROLAC network meetings/thematic workshops	Panama		187,000	187,000
	3304	ROAP-SA network meetings/thematic workshops	Bangkok		85,000	70,000
	3305	ROWA network meetings/thematic workshops	Bahrain		83,000	84,000
	3306	ECA network meetings/thematic workshops	ECA		131,000	162,000
	3307	PIC network meetings/thematic workshops	Bangkok		60,000	58,000
	3308	ROAP-SEA meetings/thematic workshops	Bangkok			50,000
	3312	ROA South-South cooperation	Nairobi		35,000	30,000
	3313	ROLAC South-South cooperation	Panama		44,000	44,000
	3314	ROAP South-South cooperation	Bangkok		50,000	48,000
	3315	ROWA South-South cooperation	Bahrain		33,000	32,000
	3316	ECA South-South cooperation	ECA		28,000	16,000
	3399	<i>Sub-total</i>			1,035,000	1,084,000
	<b>3999</b>	<b>COMPONENT TOTAL</b>			<b>1,035,000</b>	<b>1,084,000</b>
<b>40</b>		<b>EQUIPMENT AND PREMISES COMPONENT</b>				
	4100	<i>Expendable equipment (items under \$1,500 each)</i>				
	4101	Office supplies - Paris and ECA	Paris / ECA		14,000	14,000
	4102	Office supplies - Regions	Regional		37,000	23,000
	4199	<i>Sub-total</i>			51,000	37,000
	4200	<i>Non-expendable equipment</i>				
	4201	Office equipment / computer - Paris and ECA	Paris / ECA		21,000	21,000
	4202	Office equipment / computer - Regions	Regional		40,000	31,000
	4299	<i>Sub-total</i>			61,000	52,000
	4300	<i>Rental of premises</i>				
	4301	Office rental - Paris and ECA	Paris / ECA		334,000	350,000
	4302	Office rental - Regions	Regional		132,000	125,000
	4399	<i>Sub-total</i>			466,000	475,000
	<b>4999</b>	<b>COMPONENT TOTAL</b>			<b>578,000</b>	<b>564,000</b>
<b>50</b>		<b>MISCELLANEOUS COMPONENT</b>				
	5100	<i>Operation and maintenance of equipment</i>				
	5101	Rental and maintenance of office equipment - Paris and ECA	Paris		21,000	21,000
	5102	Rental and maintenance of office equipment - Regions	Regional		32,000	31,000
	5199	<i>Sub-total</i>			53,000	52,000
	5200	<i>Reporting cost</i>				
	5201	Reporting/reproduction costs	Paris		10,000	10,000
	5202	Translations - Regions	Regional		20,000	30,000
	5299	<i>Sub-total</i>			30,000	40,000
	5300	<i>Sundry</i>				
	5301	Communication & dissemination - Paris and ECA	Paris / ECA		200,000	153,000
	5302	Communication - Regions	Regional		89,000	87,000
	5399	<i>Sub-total</i>			289,000	240,000
	<b>5999</b>	<b>COMPONENT TOTAL</b>			<b>372,000</b>	<b>332,000</b>
	<b>99</b>	<b>TOTAL DIRECT PROJECT COST</b>			<b>8,490,000</b>	<b>8,745,000</b>
		<i>Programme support costs (8%)</i>			679,200	699,600
<b>90</b>	<b>GRAND TOTAL</b>				<b>9,169,200</b>	<b>9,444,600</b>

**Annex VIII**

**AGREED CONDITIONS FOR THE PHASE-OUT OF METHYL BROMIDE  
IN GUATEMALA**

1. The Executive Committee:
  - (a) At its 22<sup>nd</sup> Meeting approved US \$440,000 for a demonstration project on four alternatives to the use of methyl bromide: steam pasteurization, non-soil cultivation, solarization, and low-dose chemicals, in combination with integrated pest management;
  - (b) At its 38<sup>th</sup> Meeting approved US \$3,257,377 a national phase-out of methyl bromide project to phase-out of 468 ODP tonnes of methyl bromide in 2005; and
  - (c) At its 59<sup>th</sup> Meeting agreed to approve an additional US \$2,313,047 as the total funds available to phase out 265.7 ODP tonnes, resulting in the complete phase-out of controlled uses of methyl bromide.
  
2. As reported to the Ozone Secretariat, and consistent with information in the project document presented to the Executive Committee, the methyl bromide baseline for Guatemala has been established at 400.7 ODP tonnes. Guatemala has also reported MB consumption of 522.8 ODP tonnes for 2005, excluding quarantine and pre-shipment applications. While Guatemala has not achieved compliance with the Montreal Protocol's 20 per cent reduction in 2005, the Parties to the Montreal Protocol at their Eighteenth Meeting agreed on a plan of action in which Guatemala specifically commits to reduce methyl bromide consumption to 400.70 ODP tonnes in 2006, to 361 ODP-tonnes in 2007, to 320.56 ODP tonnes in 2008, and to phase out methyl bromide consumption by 1 January 2015, save for critical uses that may be authorized by the Parties (decision XVIII/26).
  
3. Reductions in accordance with the terms of the above-mentioned projects and other commitments presented in the project documents will ensure that Guatemala meets the reduction schedule presented below. In this regard, Guatemala will reduce the national consumption of controlled uses of methyl bromide to no more than the following levels of consumption in the years listed below:

Year	Methyl bromide (ODP tonnes)	
	Amount to be phased out	Maximum level of consumption
2010		265.7
2011	48.0	217.7
2012	100.0	117.7
2013	117.7	0
Total	265.7	

4. The projects will phase out all remaining controlled uses of methyl bromide in Guatemala, excluding quarantine and pre-shipment applications. Guatemala commits to permanently sustaining the consumption levels indicated above through the use of import restrictions and other policies it may deem necessary.
  
5. Disbursement of the funding approved for UNIDO and UNEP will be in accordance with the following schedule, and with the understanding that a subsequent year's funding will not be disbursed until the Executive Committee has favourably reviewed the prior year's progress report:

Year	Total funding (US\$)		
	UNIDO	UNEP	Total
2009	1,300,000	70,000	1,370,000
2012	943,047		943,047
Total	2,243,047	70,000	2,313,047

6. The Government of Guatemala has reviewed the consumption data identified in the project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should additional methyl bromide consumption for controlled uses be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

7. The Government of Guatemala, in agreement with UNIDO, will have the flexibility to organize and implement the project components that it deems more important in order to meet methyl bromide phase-out commitments noted above. UNIDO agrees to manage the funding for the project in a manner designed to ensure the achievement of the specific MB reductions agreed upon.

8. UNIDO shall report back annually to the Executive Committee on the progress achieved in meeting the methyl bromide reductions required in Guatemala, as well as on annual costs related to the use of the alternative technologies selected and the inputs purchased with project funds.

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## APPROVED 2010, 2011 AND 2012 BUDGETS OF THE FUND SECRETARIAT

		Approved	Approved	Approved
		2010	2011	2012
10	PERSONNEL COMPONENT			
1100	Project Personnel (Title & Grade)			
	01 Chief Officer (D2)	219,316	230,282	237,190
	02 Deputy Chief Officer (D1)*	216,438	227,260	234,078
	03 Programme Management Officer (P3)*	143,446	150,618	155,137
	04 Senior Project Management Officer (P5)	195,587	205,366	211,527
	05 Senior Project Management Officer (P5)	195,587	205,366	211,527
	06 Senior Project Management Officer (P5)	195,587	205,366	211,527
	07 Senior Project Management Officer (P5)	195,587	205,366	211,527
	08 Information Management Officer (P3)	172,941	181,588	187,036
	09 Senior Admin & Fund Management Officer (P5)**	175,483	184,257	189,785
	10 Senior Monitoring and Evaluation Officer (P5)*	195,587	205,366	211,527
	11 Programme Management Officer (P3)	143,446	150,618	155,137
	12 Associate IT Officer (P2)	86,787	91,127	93,860
	13 Associate HR Officer (P2)	-	-	-
	14 Programme Management Officer (P3)*	143,446	150,618	155,137
<b>1199</b>	<b>Sub-Total</b>	<b>2,279,238</b>	<b>2,393,200</b>	<b>2,464,996</b>
1200	Consultants			
	01 Technical and project review	100,000		
	02 MCH consultants ((Decision 59/45(f))	50,000		
	03 MYA tables access and development (cost to be deducted from the M&E budget) (Decision 59/7(c))	60,000		
<b>1299</b>	<b>Sub-Total</b>	<b>210,000</b>	<b>-</b>	<b>-</b>
1300	Administrative Support Personnel			
	01 Admin Assistant (G8)	82,442	86,564	89,161
	02 Meeting Services Assistant (G7)	78,008	81,909	84,366
	03 Programme Assistant (G8)	82,442	86,564	89,161
	04 Senior Secretary (G6)	61,068	64,122	66,045
	05 Senior Secretary (G6)	61,068	64,122	66,045
	06 Computer Operations Assistant (G8)	82,442	86,564	89,161
	07 Programme Assistant (G6)	64,543	67,770	69,803
	08 Secretary/Clerk, Administration (G7)	69,238	72,700	74,881
	09 Registry Clerk (G5)	52,753	55,391	57,052
	10 Database Assistant (G8)	82,442	86,564	89,161
	11 Secretary, Monitoring & Evaluation (G6)	61,068	64,122	66,045
	12 IMIS Assistant (G6)	-	0	-
	13 Secretary (G6)	61,068	64,122	66,045
	14 Programme Assistant (G6)	61,068	64,122	66,045
	<b>Sub-Total</b>	<b>899,651</b>	<b>944,634</b>	<b>972,973</b>
1330	Conference Servicing Cost			
1333	Meeting Services: ExCom Montreal	260,000		
1334	Meeting Services: ExCom Montreal	260,000		
1336	Meeting Services: ExCom Montreal	260,000		
1335	Temporary assistance	65,000		
	<b>Sub-Total</b>	<b>845,000</b>	<b>-</b>	<b>-</b>
<b>1399</b>	<b>TOTAL ADMINISTRATIVE SUPPORT</b>	<b>1,744,651</b>	<b>944,634</b>	<b>972,973</b>

\* Do not include travel cost and installation grant to be incurred upon initial recruitment of staff members

\*\* Difference in cost between P4 and P5 is to be charged to BL 2101

Note: Personnel cost under 1100 and 1300 will be offset by US \$324,100 based on 2008 actual differentials

		Approved	Approved	Approved
		2010	2011	2012
1600	Travel on official business			
	01	Mission Costs	208,000	
	02	Network Meetings (4)	20,000	
<b>1699</b>	<b>Sub-Total</b>		<b>228,000</b>	<b>-</b>
<b>1999</b>	<b>COMPONENT TOTAL</b>		<b>4,461,890</b>	<b>3,337,834</b>
20	CONTRACTUAL COMPONENT			
2100	Sub-contracts			
	01	Treasury services (Decision 59/51 (b))	500,000	
<b>2999</b>	<b>COMPONENT TOTAL</b>		<b>500,000</b>	<b>-</b>
30	MEETING PARTICIPATION COMPONENT			
3300	Travel & DSA for Art 5 delegates to ExCom Meetings			
	01	Travel of Chairperson and Vice-Chairperson	15,000	
	02	Executive Committee (3)	225,000	
<b>3999</b>	<b>COMPONENT TOTAL</b>		<b>240,000</b>	<b>-</b>
40	EQUIPMENT COMPONENT			
4100	Expendables			
	01	Office Stationery	19,500	
	02	Computer expendable (Software, accessories, hubs, switches, memory)	11,700	
<b>4199</b>	<b>Sub-Total</b>		<b>31,200</b>	<b>-</b>
4200	Non-Expendable Equipment			
	01	Computers, printers	13,000	
	02	Other expendable equipment (Shelves, Furnitures)	6,500	
<b>4299</b>	<b>Sub-Total</b>		<b>19,500</b>	<b>-</b>
4300	Premises			
	01	Rental of office premises***	870,282	
	<b>Sub-Total</b>		<b>870,282</b>	<b>-</b>
<b>4999</b>	<b>COMPONENT TOTAL</b>		<b>920,982</b>	<b>-</b>

\*\*\* Based on 2008 actual differentials, the rental costs will be offset by US \$824,034 leaving an amount of US \$46,248 to be charged to the Fund



		Approved 2010	Approved 2011	Approved 2012
50	MISCELLANEOUS COMPONENT			
5100	Operation and Maintenance of Equipment			
	01 Computers and printers, etc.(toners, colour printer )	9,000		
	02 Maintenance of office premises	9,000		
	03 Rental of photocopiers (office)	19,500		
	04 Telecommunication equipment rental	9,000		
	05 Network maintenance (2 server rooms)	16,250		
<b>5199</b>	<b>Sub-Total</b>	<b>62,750</b>	-	-
5200	Reporting Costs			
	01 Executive Committee meetings and reports to MOP	20,000		
<b>5299</b>	<b>Sub-Total</b>	<b>20,000</b>	-	-
5300	Sundries			
	01 Communications	65,000		
	02 Freight Charges	15,000		
	03 Bank Charges	5,000		
	05 Staff Training	20,137		
<b>5399</b>	<b>Sub-Total</b>	<b>105,137</b>	-	-
5400	Hospitality & Entertainment			
	01 Hospitality costs	13,000		
<b>5499</b>	<b>Sub-Total</b>	<b>13,000</b>	-	-
<b>5999</b>	<b>COMPONENT TOTAL</b>	<b>200,887</b>	-	-
GRAND TOTAL		6,323,759	3,337,834	3,437,969
	Programme Support Costs (13%)	413,256	433,918	446,936
<b>COST TO MULTILATERAL FUND</b>		<b>6,737,015</b>	<b>3,771,753</b>	<b>3,884,905</b>
	Previous budget schedule	3,592,146	3,771,753	-
	Increase/decrease	3,144,869	0	3,884,905