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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-first Meeting
Montreal, 5-9 July 2010

Addendum**REPORT ON IMPLEMENTATION OF APPROVED PROJECTS WITH SPECIFIC
REPORTING REQUIREMENTS**

This document is issued to:

- **Add** sub-paragraph (f) in paragraph 1 as follows:
 - (f) China: Agreement for the methyl bromide production sector plan (reallocation of funds)
- Add paragraphs 54, 55 and 56 as follows:

China: Agreement for the methyl bromide production sector plan (reallocation of funds)Introduction

54. The Agreement for the methyl bromide production sector was approved at the 47th Meeting of Executive Committee in November 2005 at the total funding level of US \$9.79 million plus agency support costs, and was to be disbursed over four tranches. The first two tranches have been disbursed. The total project budget consisted of two components: compensation for profit lost and compensation for labour cost (US \$8.49 million) and technical assistance (US \$1.3 million). Of the US \$6 million allocated in the first two tranches, US \$5.2 million was for compensation for profit lost and compensation for labour costs and US \$0.8 million was for technical assistance. However, UNIDO reported that US \$806,124 of the US \$2,679,683 originally allocated as compensation for profit lost and compensation for labour cost in the first tranche had been disbursed, resulting in savings of US \$1,873,559. UNIDO and China proposed to shift the uncommitted balance to the technical assistance component for: capacity building of national and local institutions, assessment of legislation systems for feedstock and QPS uses of methyl bromide, data collections for methyl bromide consumption in feedstock and QPS sectors, development of a management strategy for feedstock and QPS uses of methyl bromide, assessment of ongoing methyl bromide phase-out plans, establish of a technical experts team, and a survey and supervision of methyl bromide dealers.

Secretariat's comments

55. The Agreement specified that the Executive Committee wishes to provide the Government of China with maximum flexibility in using the agreed funds to meet the reduction requirements and that the funds provided to China pursuant to this agreement may be used in any manner that China believes will achieve the smoothest possible phase-out of controlled methyl bromide production (decision 47/54(b), Annex IV of UNEP/OzL.Pro/ExCom/47/61, paragraph 3(c)).

Secretariat's recommendation

56. The Executive Committee may wish to note, with appreciation, the information provided on the reallocation of funds for the Agreement for the methyl bromide production sector plan from the first tranche for technical assistance.
