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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Forty-first Meeting
Montreal, 17 - 19 December 2003

**REPORT OF THE 30th MEETING OF THE SUB-COMMITTEE
ON PROJECT REVIEW**

Introduction

1. The Sub-Committee on Project Review of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol held its 30th Meeting in Montreal, on 15 and 16 December 2003.
2. The meeting was attended by representatives of Bolivia, Burundi, France (Chair), India, Japan, Saint Lucia and the United States of America.
3. The meeting was attended by representatives of the implementing agencies as well as of the Ozone Secretariat.
4. The meeting was also attended by the representatives of Austria, Canada and El Salvador as observers.

AGENDA ITEM 1: OPENING OF THE MEETING

5. The Chair of the Sub-Committee, Mr. Mustapha Kleiche (France), opened the meeting at 10:00 a.m. on Monday, 15 December 2003, and welcomed the participants.

AGENDA ITEM 2: ADOPTION OF THE AGENDA

6. The Sub-Committee adopted the following agenda on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/30/1:

1. Opening of the meeting.
2. Adoption of the agenda.
3. Introductory remarks.
4. Organisation of work.
5. Overview of issues identified during project review.
6. Bilateral cooperation.
7. 2003 work programme amendments:
 - (a) UNDP;
 - (b) UNEP;
 - (c) UNIDO;
 - (d) World Bank.
8. Work programme of UNEP for the year 2004.
9. Report from UNEP on the use of programme support costs (Decisions 35/36 and 40/49).
10. Investment projects.
11. Liquid carbon dioxide (LCD) technology and guidelines for LCD projects: follow up to Decisions 39/52 (b) and 40/17 (g).
12. An update of the report on the study on alternatives to CFCs in rigid foam applications (Decision 36/56 (b)).
13. A system for monitoring the implementation of the agreement on the phase-out of CTC and process agents in China (Decisions 39/46 (c) and 40/50)).
14. Reports on implementation of approved projects and activities with specific reporting requirements.
15. Other matters.

16. Adoption of the report.
17. Closure of the meeting.

AGENDA ITEM 3: INTRODUCTORY REMARKS

7. The Officer-in-Charge welcomed the members of the Sub-Committee on Project Review. He said that for the 41st Meeting of the Executive Committee, the Secretariat had received projects and activities, including sectoral strategies and plans, from 67 Article 5 countries at a total cost of over US \$237 million excluding agencies support costs. The project proposals addressed the phase-out of 22,850 ODP tonnes in the consumption sector, mainly CFCs, CTC and methyl bromide, and the phase out of over 6,650 ODP tonnes of ODSs in the production sector. The Secretariat being aware of the 2005 Montreal Protocol phase-out targets and the potential risk of not achieving compliance by some Article 5 countries if their projects were deferred, continued its discussions with relevant implementing agencies until the commencement of this meeting, aiming at resolving outstanding issues. Whilst this had enabled a number of issues to be resolved, the ensuing draft agreements had only recently been completed, resulting in a number of additional meeting documents.

AGENDA ITEM 4: ORGANIZATION OF WORK

8. Following the suggestion of the Chair, the Sub-Committee decided to organize its work in accordance with the agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/30/1 and also with the provisional annotated agenda contained in document UNEP/OzL.Pro/ExCom/SCPR/30/1/Add.1/Rev.1.

AGENDA ITEM 5: OVERVIEW OF ISSUES IDENTIFIED DURING PROJECT REVIEW

(a) Projects for accelerated phase-out or maintaining momentum

9. The Chair drew the attention of the Sub-Committee to paragraphs 5 to 8 of the overview paper (UNEP/OzL.Pro/ExCom/41/15) concerning a window for projects that involved accelerated phase-out or maintaining momentum.

10. He also pointed out that a number of projects that were included in the 2003 business plans, had not been submitted in 2003. Since the compliance needs might still exist, funding for the projects might still be sought through 2004 or 2005 business plans.

11. Following a discussion, and recalling that the issue had been discussed by the Executive Committee, pursuant to a proposal from the Sub-Committee on Monitoring and Evaluation, the Sub-Committee on Project Review recommended that the Executive Committee take up the issue including prioritization of projects for accelerated phase-out or maintaining momentum.

(b) Projects submitted under bilateral cooperation

12. The Chair drew the attention of the Sub-Committee to paragraph 9 of the overview paper (UNEP/OzL.Pro/ExCom/41/15). He pointed out that Japan had expressed its view at the 40th Meeting of the Executive Committee that restrictions on the funding of projects for accelerated phase-out embodied in Decision 40/7 should not apply to bilateral cooperation projects.

13. Following a discussion, the Sub-Committee recommended that the Executive Committee agree that the modalities stipulated in Decision 40/7 should be maintained.

14. The representative of Japan reiterated Japan's position on the issue and emphasized that if the guidelines were applied to the bilateral portion, that would further complicate the issue, since the bilateral agencies still had to determine their business plans for this biennium, thus making it almost impossible to identify with any accuracy unspent amount of resources under the business plans in the period from 2003 to 2005. This would prohibit the bilateral agency's right to formulate accelerated phase-out projects under its bilateral cooperation.

(c) Consideration in 2004 of projects submitted too late for 41st Meeting

15. The Chair drew the attention of the Sub-Committee to paragraphs 10 and 11 of the overview paper (UNEP/OzL.Pro/ExCom/41/15), pointing out that an ODS phase-out plan for Bangladesh and an ODS solvent phase out project for Nigeria had not been submitted in time for consideration at 41st Meeting.

16. Following a discussion, the Sub-Committee recommended that the Executive Committee decide that activities included in the 2003 business plan but not submitted and subsequently included in the draft 2004 business plan could be considered for funding at the 42nd meeting if the projects were required to assist countries to meet 2005 compliance obligations.

(d) Projects for phase-out of bromochloromethane (BCM): ratification of Beijing amendment

17. The Chair drew the attention of the Sub-Committee to paragraph 12 of the overview paper (UNEP/OzL.Pro/ExCom/41/15), pointing out that the issue related to a solvent sector phase-out plan containing a BCM project submitted by Argentina.

18. The Sub-Committee noting that the Government of Argentina had withdrawn the BCM component of the project, did not consider the item.

(e) Bilateral co-operation in multi-year agreements

19. The Chair drew the attention of the Sub-Committee to paragraphs 13 and 14 of the overview paper (UNEP/OzL.Pro/ExCom/41/15). He said that in the proposed CTC sector plan in India, Germany planned to credit funds proposed for approval in 2004 and 2005 to its 2006-2008 bilateral cooperation contributions, since the 2003-2005 business plan for Germany exceeded the maximum of its bilateral contribution by almost US \$7.9 million. Moreover, the

German proposal appeared to require commitment in advance of a decision on a replenishment of the Fund.

20. The representative of France reported that Germany now planned to fulfil its commitments under the tranches of the CTC sector plan in India related to the current triennium, without seeking to make use of resources from future triennia. Consequently, the policy issue involved was no longer relevant.

(f) Methodology for assessing multi-year progress reports and technical audits

21. The Chair drew the attention of the Sub-Committee to paragraph 15 of the overview paper (UNEP/OzL.Pro/ExCom/41/15). He pointed out that there were no uniform criteria for assessment of performance of the verification and audit processes that were part of multi-year agreements. Some agreements specified detailed actions that the implementing agency would take while others did not.

22. Following a discussion, the Sub-Committee recommended that the Executive Committee request the Fund Secretariat in cooperation with the implementing agencies to develop criteria for the assessment of the progress reports and verification audits of multi-year agreements with the goal of submitting a paper to the 43rd Meeting for the consideration of the Executive Committee.

(g) Projects with data discrepancies: implementation of Decision 34/18

23. The Chair drew the attention of the Sub-Committee to paragraphs 16 to 18 of the overview paper (UNEP/OzL.Pro/ExCom/41/15). He pointed out that in the course of reviewing proposals for investment projects submitted to the 41st Meeting, the Secretariat found that data discrepancies between the consumption remaining to be addressed in the relevant sector or sub-sector and the consumption to be phased out in the project, existed in three projects.

24. Following a discussion, the Sub-Committee recommended that the Executive Committee request implementing agencies to ensure that they had verified with the National Ozone Unit the consistency of Article 7 data, the country programme implementation data and the project phase-out data, prior to conveying projects to the Secretariat for review.

AGENDA ITEM 6: BILATERAL COOPERATION

25. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/16 and Corr.1 on bilateral cooperation. A total of 18 requests for bilateral cooperation, amounting to nearly US \$28.5 million, had been submitted by the Governments of Canada, France, Germany, Japan and Sweden.

26. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the requests for bilateral cooperation contained in document UNEP/OzL.Pro/ExCom/41/16 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Indonesia: Phase-out of the use of methyl bromide in grain storage (Canada)
(UNEP/OzL.Pro/ExCom/41/37)

27. The Chair drew the attention of the Sub-Committee to pages 2 to 4 of document UNEP/OzL.Pro/ExCom/41/37. He said that the project had been submitted by the Government of Canada to phase out 37.8 ODP tonnes of methyl bromide used for fumigation of stored rice in Indonesia. That represented the total consumption of controlled uses of methyl bromide in the country. The Government of Canada and the Secretariat had agreed on the total cost of the project.

28. Following a discussion the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that this project would phase-out all remaining uses of methyl bromide and that the Government of Indonesia would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

Brazil: National CFC phase-out plan (second tranche) (Germany, UNDP)
(UNEP/OzL.Pro/ExCom/41/25)

29. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/25.

30. The representative of France noted that, of the annual tranche of US \$6,420,000 plus agency fees for Brazil, the funding share of the Government of Germany would be US \$700,000 instead of US \$1,000,000. The share of the agencies with regard to the cost of the total phase-out plan remained unchanged.

31. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the bilateral component of the above project proposal at the level of funding indicated in Annex I to the present report.

Islamic Republic of Iran: National CFC phase-out plan (first annual implementation programme) (Germany, France, UNDP, UNEP, and UNIDO)
(UNEP/OzL.Pro/ExCom/41/38, Add.1 and Corr.1, Add.2 and Corr.2)

32. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/38 Add.1 and Corr.1, Add.2 and Corr.2. The representative of the Secretariat indicated that the Government of the Islamic Republic of Iran had submitted a national CFC phase-out plan that would lead to the final phase-out of CFCs in the country by the year 2010 and would assist the Islamic Republic of Iran to meet its compliance targets for CFC consumption by 2005 and 2007. He recalled that Decision 38/55 requested the Government of the Islamic Republic of Iran to prepare a national CFC phase-out plan which clearly identified and explained CFC consumption in various sectors and sub-sectors and any differences between that and previously reported consumption.

33. In the ensuing discussion, attention was drawn to the difficulties experienced by the Islamic Republic of Iran in determining its actual levels of consumption of CFCs in different

sectors of its varied economy and the consequent need for assurances to be obtained by the bilateral entity taking on this project that the country's actual consumption was as stated and that there was real commitment to phase out CFCs, including any new consumption that might come to light. The bilateral entity had provided those assurances. It was also suggested that the phrase "and do not extend to obligations beyond this Protocol" in paragraph 12 of the standard agreement be replaced with the phrase "and as specified in this agreement".

34. Following a discussion and with the above amendment, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the national CFC phase-out plan for the Islamic Republic of Iran at a total level of funding of US \$11,250,000 plus agency support costs of US \$1,096,522 in accordance with the Agreement between the Government of the Islamic Republic of Iran and the Executive Committee contained in Annex II to the present report; and
- (b) Approve funding for the implementation of the first tranche of the project as follows:
 - (i) US \$1,006,620 plus agency support costs of US \$110,728 to the Government of France; and
 - (ii) US \$694,124 plus agency support costs of US \$76,354 to the Government of Germany.

Lesotho: Terminal ODS phase-out management plan (Germany)
(UNEP/OzL.Pro/ExCom/41/42 and Corr.1)

35. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/42 and Corr.1. The representative of the Secretariat pointed out that, in view of the relatively low consumption figures for Lesotho, an agreement had not been proposed for that country.

36. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The total level of funding of the TPMP is US \$127,300 plus support cost of US \$16,549. This is the total funding that would be available to the Government of Lesotho from the Multilateral Fund for the total elimination of CFCs in Lesotho;
- (b) The Government of Lesotho commits to the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Lesotho, according to the following phase-out schedule which is at a minimum consistent with the Montreal Protocol's control measures for CFCs:

| Year | 2004 | 2005 | 2006 | 2007 |
|--|------|------|------|------|
| Annual CFC phase-out target (ODP tonnes) | 1.4 | 0.8 | 0.4 | 0 |

- (c) The total funding would be requested at the last meeting of the Executive Committee in 2003, 2004 and 2005 according to the following schedule:

| Year | 2003 | 2004 | 2005 |
|-----------------------------|--------|--------|--------|
| Project cost (US \$) | 75,000 | 35,000 | 17,300 |
| Agency support cost (US \$) | 9,750 | 4,550 | 2,249 |
| Total cost (US \$) | 84,750 | 39,550 | 19,549 |

- (d) The Government of Lesotho agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of Annex A, Group I substances. The Executive Committee agrees to provide Lesotho with flexibility in using the agreed funds consistent with operational procedures as agreed between Lesotho and the Government of Germany in the TPMP;
- (e) The Government of Lesotho agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year;
- (f) The bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP have been completed according to the above schedule.

Mauritius: Implementation of an ODS terminal phase out management plan (Germany)
(UNEP/OzL.Pro/ExCom/41/47 and Corr.1)

37. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/47 and Corr.1. The representative of the Secretariat pointed out that, in view of the relatively low consumption figures for Mauritius, an agreement had not been proposed for that country.

38. Following a discussion the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The total level of funding of the TPM was US \$212,030 plus support cost of US \$27,564. This was the total funding that would be available to the Government of Mauritius from the Multilateral Fund for the total elimination of all ozone depleting substances in Mauritius;
- (b) The Government of Mauritius committed itself to the phased reduction and complete phase-out of the consumption of ODS in Mauritius, according to the

following phase-out schedule which is at a minimum consistent with the Montreal Protocol's control measures for the relevant ozone depleting substances:

| Year | 2004 | 2005 | 2006 | 2007 |
|--------------------------|------|------|------|------|
| Annual ODS (ODP tonnes)* | 2.0 | 1.0 | 1.0 | 0 |

- Including CFCs and methyl bromide

- (c) The total funding would be requested at the last meeting of the Executive Committee in 2003, 2004 and 2005 according to the following schedule:

| Year | 2003 | 2004 | 2005 |
|-----------------------------|---------|--------|-------|
| Project cost (US \$) | 110,000 | 62,030 | 4,000 |
| Agency support cost (US \$) | 14,300 | 8,064 | 520 |
| Total cost (US \$) | 124,300 | 70,094 | 4,520 |

- (d) The Government of Mauritius agreed that no additional resources would be requested from the Multilateral Fund or bilateral agencies for activities related to the phase-out of ODS. The Executive Committee agreed to provide Mauritius with flexibility in using the agreed funds consistent with operational procedures as agreed between Mauritius and the Government of Germany in the TPMP;
- (e) The Government of Mauritius agreed to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year;
- (f) The bilateral agency would be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP had been completed according to the above schedule;

Namibia: Terminal phase-out management plan for ODS (Germany)
(UNEP/OzL.Pro/ExCom/41/49 and Corr.1)

39. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/49 and Corr.1. The representative of the Secretariat pointed out that, in view of the relatively low consumption figures for Namibia, an agreement had not been proposed for that country.

40. Following a discussion the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The total level of funding of the TPMP is US \$252,500 plus support cost of US \$32,825. This is the total funding that would be available to the Government of Namibia from the Multilateral Fund for the total elimination of CFCs in Namibia;

- (b) The Government of Namibia commits to the phased reduction and complete phase-out in the consumption of Annex A, Group I substances used in Namibia, according to the following phase-out schedule which is at a minimum consistent with the Montreal Protocol's control measures for CFCs:

| Year | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|------|------|------|------|------|
| Annual CFC phase-out target (ODP tonnes) | 4.0 | 3.0 | 3.0 | 2.0 | 0 |

- (c) The total funding would be requested at the last meeting of the Executive Committee in 2003 and 2005 according to the following schedule:

| Year | 2003 | 2005 |
|-----------------------------|---------|---------|
| Project cost (US \$) | 160,000 | 92,500 |
| Agency support cost (US \$) | 20,800 | 12,025 |
| Total cost (US \$) | 180,800 | 104,525 |

- (d) The Government of Namibia agrees that no additional resources will be requested from the Multilateral Fund or bilateral agencies for activities related to the phase out of Annex A, Group I substances. The Executive Committee agrees to provide Namibia with flexibility in using the agreed funds consistent with operational procedures as agreed between Namibia and the Government of Germany in the TPMP;
- (e) The Government of Namibia agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7 of the Montreal Protocol by 30 September each year;
- (f) The bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP have been completed according to the above schedule.

Papua New Guinea: Extension of institutional strengthening project

41. The Chair drew the attention of the Sub-Committee to paragraphs 17 and 18 of document UNEP/OzL.Pro/ExCom/41/16 and Corr.1, containing the renewal of the institutional strengthening project for Papua New Guinea.

42. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the Government of Papua New Guinea its observations indicated in Annex III to the present report.

Yemen: Total phase-out of the use of methyl bromide in agriculture (Germany)
(UNEP/OzL.Pro/ExCom/41/64 and Corr.1)

43. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/64 and Corr.1. He pointed out that the project proposed to phase out 52.8 ODP tonnes of methyl bromide in soil fumigation in Yemen and noted that the methyl bromide baseline for compliance is 1.1 ODP tonnes. He indicated that the Government of Germany and the Secretariat concluded discussions on the project proposal and agreed that a first tranche of the project could be submitted, as a technical assistance programme that will lead to the phase out of 9.3 ODP tonnes in 2004, which represents the amount of methyl bromide needed to achieve the 2005 phase out compliance target, if the Parties to the Montreal Protocol were to agree to change the methyl bromide baseline for Yemen. During project implementation, Germany will continue to assist Yemen in further discussing outstanding issues with the Implementation Committee for the change of the methyl bromide baseline.

44. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the project as a technical assistance programme for Yemen at a cost of US \$250,000 plus agency support costs of US \$32,500 to phase out 9.1 ODP tonnes of methyl bromide, on the understanding that approval of the project was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.

Global: Development of handbook on industry operated systems for recovery and reuse of ozone depleting substances (Japan and Sweden) (UNEP/OzL.Pro/ExCom/41/16 and Corr.1)

45. The Chair drew the attention of the Sub-Committee to paragraphs 22, and 26 to 41 of document UNEP/OzL.Pro/ExCom/41/16 and Corr.1. He pointed out that the Government of Sweden in co-operation with the Government of Japan and UNEP, submitted for consideration at the 41st Meeting a bilateral proposal to develop a handbook on industry operated systems for recovery and reuse of ozone depleting refrigerants.

46. The representative of Japan informed the Sub-Committee that, following consultations with Sweden and other interested parties, it had been agreed to postpone work on the development of the handbook until completion of the refrigerant management plan review process.

47. Following a discussion the Sub-Committee recommended that the Executive Committee defer its decision on the project pending the outcome of discussions in the open-ended working group on refrigeration management plans.

48. At the conclusion of its discussions on the agenda item, the Sub-Committee recommended that the Executive Committee request the Treasurer to offset the costs of the above bilateral projects, as follows:

- (a) US \$478,499 against the balance of Canada's bilateral contributions for 2003;
- (b) US \$1,117,348 against the balance of France's bilateral contributions for 2004;

- (c) US \$847,393 against the balance of Germany's bilateral contributions for 2003, and US \$1,935,352 against Germany's bilateral contributions for 2004;;
- (d) US \$52,168 against the balance of Japan's bilateral contributions for 2003; and
- (e) US 203,475 against the balance of Sweden's bilateral contributions for 2003.

AGENDA ITEM 7: 2003 WORK PROGRAMME AMENDMENTS

(a) Work programme amendments of UNDP

49. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/17, Corr.1 and Corr.2, containing the 2003 work programme amendments of UNDP.

50. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNDP's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/41/17, Corr.1 and Corr.2, with the amendments below, at the level of funding indicated in Annex I to the present report.

Costa Rica (phase V): Renewal of institutional strengthening project

India (phase V): Renewal of institutional strengthening project

Indonesia (phase IV): Renewal of institutional strengthening project

Pakistan (phase III): Renewal of institutional strengthening project

51. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the Governments concerned its observations indicated in Annex III to the present report.

Chile: Technical assistance to phase out ozone depleting solvents

52. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report on the understanding that the Government of Chile will not seek any additional funding from the Multilateral Fund for the phase-out of ODS solvents.

India: Aerosol inhaled drug products

53. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report on the understanding that India had allocated its total remaining CFC consumption eligible for funding to the refrigeration servicing sector and would not be submitting an investment project for MDI aerosols.

Jamaica: Solvents\sterilants, technical assistance umbrella project to phase out solvents and prevent ODS sterilant use

54. Following a discussion, UNDP agreed that the project be deferred.

(b) Work programme amendments of UNEP

55. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/18 and Corr.1, containing the 2003 work programme amendments of UNEP.

56. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNEP's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/41/18 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Bahrain (phase III): Institutional strengthening project

Botswana (phase II): Institutional strengthening project

Croatia (phase IV): Renewal of institutional strengthening project

Ethiopia (phase IV): Renewal of institutional strengthening project

Gambia (phase III): Renewal of institutional strengthening project

Guinea (phase IV): Renewal of institutional strengthening project

D.P.R. Korea (phase III): Renewal of institutional strengthening project

Malawi (phase IV): Renewal of institutional strengthening project

Mozambique (phase III): Renewal of institutional strengthening project

Namibia (phase III): Renewal of institutional strengthening project

Niger (phase IV): Renewal of institutional strengthening project

Senegal (phase V): Renewal of institutional strengthening project

Swaziland (phase III) Renewal of institutional strengthening project

Yemen (phase III): Renewal of institutional strengthening project

57. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report and express to the Governments concerned its observations indicated in Annex III to the present report.

Cameroon (phase IV): Renewal of institutional strengthening project

58. The Chair drew the attention of the Sub-Committee to paragraphs 11 and 12 of document UNEP/OzL.Pro/ExCom/41/18. The Secretariat advised the Sub-Committee that the Parties to the Montreal Protocol at their 15th Meeting noted Cameroon was in non-compliance with control measures under the Montreal Protocol.

59. The Sub-Committee recommended that the Executive Committee:

- (a) Approve the above project, for one year, at the level of funding indicated in Annex I to the present report, on the understanding that the approval was without

prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance;

- (b) Express to the Government of Cameroon its observations contained in Annex III to the present report; and
- (c) Request representatives of the Multilateral Fund and Ozone Secretariats to meet representatives of Cameroon during the upcoming network meetings to express serious concern at their non compliance with the freeze in CFC consumption and to discuss the country's proposals to return to compliance as soon as possible.

(c) Work programme amendments of UNIDO

60. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/19 and Corr.1, containing the 2003 work programme amendments of UNIDO.

61. Following a discussion, the Sub-Committee recommended that the Executive Committee approve UNIDO's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/41/19 and Corr.1, with the amendments below, at the level of funding indicated in Annex I to the present report.

Qatar (phase II): Renewal of institutional strengthening project

62. The Chair drew the attention of the Sub-Committee to paragraphs 9 to 13 of document UNEP/OzL.Pro/ExCom/41/19 and Corr.1. The Secretariat advised the Sub-Committee that the Parties to the Montreal Protocol at their 15th Meeting noted Qatar was in non-compliance with control measures under the Montreal Protocol.

63. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the above project, for one year, at the level of funding indicated in Annex I to the present report, on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance;
 - (b) Request the Government of Qatar to explain what steps were being taken to implement national regulations on ozone-depleting substances;
 - (c) Express to the Government of Qatar its observations contained in Annex III to the present report; and
 - (d) Request representatives of the Multilateral Fund and Ozone Secretariats to meet representatives of Qatar during the upcoming network meetings to express serious concern at their non compliance with the freeze in CFC consumption and to discuss the country's proposals to return to compliance as soon as possible.

(d) Work programme amendments of the World Bank

64. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/20, containing the 2003 work programme amendments of the World Bank.

65. The Sub-Committee recommended that the Executive Committee approve the World Bank's 2003 work programme amendments, as contained in document UNEP/OzL.Pro/ExCom/41/20.

AGENDA ITEM 8: WORK PROGRAMME OF UNEP FOR THE YEAR 2004

66. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/21 and Add.1.

67. Following a discussion, the Sub-Committee recommended that the Executive Committee
- (a) Approve UNEP's CAP budget for 2004 in the amount of US \$6,757,900, with support costs of US \$545,632, on the following basis:
 - (i) Incorporation of 12 month costs for the European/Central Asian regional network pro rata on 2003 costs;
 - (ii) Incorporation of 9.9 per cent increase for staff costs on the basis of forecasted actual costs;
 - (iii) Overall allowance of 4 per cent inflation to cover all other costs, with the exception of the following specific budget lines:
 - 3202, 3203, 3204 and 3205, each to be increased to US \$30,000;
 - 3302 to US \$220,000;
 - 3303 to US \$160,000;
 - 3305 to US \$80,000;
 - 3306 to US \$70,000;
 - (b) Consider future programme support costs on the basis of a future Executive Committee decision taken after consideration of the investigation to be carried out by UNEP, as recommended in paragraph 70;
 - (c) Review the CAP budget in one year's time on the basis results achieved.

AGENDA ITEM 9: REPORT FROM UNEP ON THE USE OF PROGRAMME SUPPORT COSTS (Decisions 35/36 and 40/49)

68. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/22 and Add.1. He invited the representative of UNEP to present the report to Sub-Committee members.

69. The representative of UNEP presented the conclusion of the report, which was that the authority to allocate programme support costs was vested solely in the Executive Director of UNEP, pursuant to a decision by the United Nations General Assembly.

70. The representative of Japan expressed the view that in matters affecting the Multilateral Fund, decisions of the Executive Committee took precedence over internal procedural decisions of UNEP.

71. Recalling its Decision 38/36, and also taking note of the reports of UNEP on the use of programme support costs (UNEP/OzL.Pro/ExCom/41/21 and UNEP/OzL.Pro/ExCom/41/22), the Sub-Committee recommended that the Executive Committee request UNEP to:

- (a) Investigate how it can prepare unified budgets of CAP possibly based on the concept of the general trust funds and the integration of all the administrative costs and the related expenses, and the programme support costs into an administrative budget; and
- (b) Submit the result of the above investigation to the 43rd Meeting for its consideration.

AGENDA ITEM 10: INVESTMENT PROJECTS

(a) Projects recommended for blanket approval

72. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/SCPR/30/2/Rev.1.

73. The Sub-Committee recommended that the Executive Committee approve the projects submitted for blanket approval contained in document UNEP/OzL.Pro/ExCom/SCPR/30/2/Rev.1, at the level of funding indicated in Annex I to the present report, with the conditions included in the corresponding Project Evaluation Sheets, where applicable.

(b) Projects for individual consideration

Aerosol sector

Cuba: Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) (UNDP) (UNEP/OzL.Pro/ExCom/41/33)

74. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/33.

75. One representative stated that since the prices of CFCs were increasing, incremental operating costs appeared high and their two-year duration appeared long.

76. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report on the proviso that its approval should not be construed as a precedent for a two-year duration for incremental operating costs in this sector.

Foam sector

China: Sector plan for phase-out of CFC-11 in the China foam sector: 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

77. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 25 in document UNEP/OzL.Pro/ExCom/41/28 and Corr.1. He indicated that the World Bank submitted a report on the status of implementation of the 2003 annual programme and a funding request for the proposed 2004 annual implementation programme.

78. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report and request the World Bank to ensure, as a matter of priority, that a system is put in place that would provide satisfactory verification of CFC phased out in on-going and new projects in the polyurethane foam sector as well as the annual CFC consumption in the sector in 2003 and subsequent years.

Democratic Republic of the Congo: Terminal umbrella for the foam sector (UNDP) (UNEP/OzL.Pro/ExCom/41/31)

79. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that this would be the final project for the Democratic Republic of the Congo covering CFC consumption in the foam sector.

India: Sectoral phase-out plan for elimination of CFCs in the foam sector (second tranche) (UNDP) (UNEP/OzL.Pro/ExCom/41/36)

80. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 20 in document UNEP/OzL.Pro/ExCom/41/36. He pointed out that UNDP had submitted a request for the release of US \$1,750,000 plus support costs for the 2003–2004 annual implementation programme of the sectoral CFC phase-out plan in the foam sector. The submission consisted of the report on the implementation of 2002–2003 annual programmes and the annual implementation programme for 2004. The Secretariat and UNDP had already agreed on the amount of the tranche to be disbursed.

81. Following a discussion, the Sub-Committee recommended that the Executive Committee decide:

- (a) To approve US \$1,750,000 plus agency support costs of US \$153,000 for UNDP for the 2004 annual work programme of the sectoral phase-out plan for elimination of CFCs in the foam sector in India;
- (b) To note the changes in the funding request cycle from the second to the third meeting of the year;
- (c) To request UNDP to make provision in the 2003 - 2004 annual implementation programme for development of methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years as required under the agreement on the foam sector CFC phase-out plan.

Fumigant sector

Bosnia and Herzegovina: Phase-out of methyl bromide in tobacco seedling vegetables and flower production sector (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/24, Corr.1 and Add.1 and Corr.2)

82. The Chair drew the attention of the Sub-Committee to paragraphs 1 to 14 in document UNEP/OzL.Pro/ExCom/41/24 and Corr.1 and Add.1 and Corr.2. He indicated that the project proposal is to phase out 11.8 ODP tonnes of methyl bromide representing the entire methyl bromide consumption in Bosnia and Herzegovina. He pointed out that Bosnia and Herzegovina ratified the Copenhagen amendment on 8 August 2003. It would appear that the country will be in non-compliance with the 2002 freeze, since its 2002 consumption is about 8.3 ODP tonnes over its baseline. The Government of Bosnia and Herzegovina, however is committed to phase out the entire consumption of methyl bromide by end of 2006. He also pointed out that the total project cost was agreed upon between the Secretariat and UNIDO.

83. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the Agreement between the Government of Bosnia and Herzegovina and the Executive Committee contained in Annex IV to the present report and without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance issues.

China: National phase-out of methyl bromide (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

84. The Chair drew the attention of the Sub-Committee to paragraphs 26–50 in document UNEP/OzL.Pro/ExCom/41/28 and Corr.1. The representative of the Secretariat indicated that UNIDO had submitted a national methyl bromide phase-out plan, at a total cost of over US \$40 million. During the implementation of the phase I of the project, China proposed to phase out 389.0 ODP tonnes of methyl bromide in the consumption sector and requested about US \$17.2 million. He noted that Corr.1 of the document incorporated relevant responses received from UNIDO on the issues raised by the Secretariat. He drew the attention of the Sub-Committee to paragraph 49 bis containing the conclusions from the review of the phase-out plan, and to paragraph 49 ter containing a proposal by the Secretariat on the incremental cost of the first phase of the project proposal.

85. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve US \$4,086,600 plus agency support costs of US \$306,495 for UNIDO for the phase out of 389.2 ODP tonnes of methyl bromide in the consumption sector;
- (b) Agree that the Government of China would have flexibility in utilizing the resources available for the phase out of methyl bromide in any crop or application it deems more appropriate; and
- (c) Request UNIDO to assist the Government of China to work towards the completion of a project proposal for the phase out of all controlled uses of methyl bromide for submission to the Executive Committee.

Kyrgyzstan: Technical assistance project to install alternatives and phase-out methyl bromide (UNDP) (UNEP/OzL.Pro/ExCom/41/40 and Corr.1)

86. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/40 and Corr.1. He indicated that the project is to phase out 14.2 ODP tonnes of methyl bromide used for grain fumigation, and that the Secretariat and UNDP have agreed on project costs and resolved eligibility issues.

87. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that the Government of Kyrgyzstan would not seek additional funding from the Multilateral Fund for the phase-out of controlled uses of methyl bromide.

Syrian Arab Republic: Phase-out of methyl bromide in grain storage (second tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/60)

88. The representative of the Secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/60 and noted that UNIDO had submitted a request for the second tranche of the phase-out of methyl bromide in grain storage in the Syrian Arab Republic.

He said that, according to the agreement between the Government of the Syrian Arab Republic and the Executive Committee, the Government had committed itself, among other things, to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide. However, the consumption levels reported by the Syrian Arab Republic under Article 7 for both 2001 and 2002 were in excess of the maximum level in the Agreement.

89. Following a discussion, in which it was noted that the Government of the Syrian Arab Republic would phase out additional methyl bromide consumption recently identified in the country with its own resources, the Sub-Committee recommended that the Executive Committee approve the second tranche of the above project proposal at the level of funding indicated in Annex I to the present report, on the understanding that the remaining consumption of controlled uses of methyl bromide that would be eligible for funding once the project was fully implemented was 8 ODP tonnes.

Halon sector

China: Sector plan for halon phase-out in China: 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

90. The Chair drew the attention of the Sub-Committee to paragraphs 51 to 63 of document UNEP/OzL.Pro/ExCom/41/28 and Corr.1.

91. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the 2004 work programme of the China halon phase out plan at a total cost of US \$1,200,000 plus agency support costs of US \$90,000.

Phase-out plans

Bosnia and Herzegovina: National ODS phase-out plan (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/24, Corr.1 and Add.1 and Corr.2)

92. The Chair drew the attention of the Sub-Committee to paragraphs 15 to 48 of document UNEP/OzL.Pro/ExCom/41/24, paragraphs 47 and 48 of document UNEP/OzL.Pro/ExCom/41/24/Corr.1 and Add.1 and Corr.2. The representative of the Secretariat indicated that UNIDO submitted a national ODS phase-out plan for Bosnia and Herzegovina to phase out 123.0 ODP tonnes of CFCs and 1.5 ODP tonnes of TCA.

93. Following a discussion, the Sub-Committee recommended that the Executive Committee approve in principle the national ODS phase-out plan for Bosnia and Herzegovina at a total cost of US \$864,160 plus US \$64,812 as agency support costs, on the understanding that approval is without prejudice to the operations of the Montreal Protocol's mechanism dealing with non-compliance and in accordance with the agreement between the Government of Bosnia and Herzegovina and the Executive Committee contained in Annex V to this document, and allocate US \$265,300 plus support cost of US \$19,898 to UNIDO for the first annual implementation programme.

Brazil: National CFC phase-out plan (second tranche) (Germany, UNDP)
(UNEP/OzL.Pro/ExCom/41/25)

94. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/25. As already noted under agenda item 6, on bilateral cooperation, UNDP had submitted a request for the release of the second tranche of the project.

95. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the UNDP component of the above project proposal at the level of funding indicated in Annex I to the present report.

Colombia: National phase-out plan for Annex A (Groups I and II) substances: first annual implementation programme (UNDP) (UNEP/OzL.Pro/ExCom/41/29 and Corr.1 and Add.1)

96. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/29 and Corr.1 and Add.1.

97. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the national phase-out plan for Annex A (Groups I and II) substances for Colombia at a total level of funding US \$4,500,000 plus agency support costs of US \$337,500 for UNDP in accordance with the agreement between the Government of Colombia and the Executive Committee contained in Annex VI to the present report; and
- (b) Approve US \$2,146,820 plus agency support costs of US \$161,011 for UNDP implementation of the first tranche of the project.

Ecuador: National CFC phase-out plan (first tranche) (World Bank)
(UNEP/OzL.Pro/ExCom/41/34)

98. The Secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/34. He noted that the Government of Ecuador had submitted a national plan to phase-out a total of 245.92 ODP tonnes, which includes projects in the foam and commercial refrigeration manufacturing sectors as well as the servicing sector. The Secretariat and the World Bank had reached agreement on the eligibility and cost of the phase-out plan.

99. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the national CFC phase-out plan for Ecuador at a total level of funding of US \$1,689,800 plus agency support costs US \$126,735 for the World Bank in accordance with the agreement between the Government of Ecuador and the Executive Committee contained in Annex VII to the present report; and

- (b) Approve US \$777,326 plus support costs of US \$58,300 for the World Bank implementation of the 2004 annual programme of the national CFC phase-out plan.

India: CTC phase-out plan for the consumption and production sectors: balance of the 2003 tranche and 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/36)

100. The Secretariat drew the attention of the Sub-Committee to paragraphs 21 to 45 in document UNEP/OzL.Pro/ExCom/41/36. He recalled that at its 40th Meeting, the Executive Committee had approved in principle US \$52 million to assist India to phase out production and consumption of CTC, and had disbursed US \$5 million to start implementation of the project. The Executive Committee had also requested that the Government of India, together with relevant bilateral and implementing agencies, and in consultation with the Secretariat, to prepare a detailed agreement for the implementation of the CTC phase-out plan and a 2004 work programme for consideration at the 41st Meeting. Accordingly, the World Bank had submitted the draft Agreement, the 2004 work programme and the report on 2001 CTC imports. In the ensuing discussion, the representative of Japan presented detailed comments on a range of policy and substantive issues. The views of the representative of Japan are contained in Annex VIII to the present report. Following an exchange of views, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the additional US \$3,520,843 for the 2003 annual work programme plus agency support costs of US \$264,063 for the World Bank;
- (b) Refer the draft agreement and the 2004 work programme, and the policy issues therein, to the Production Sector Working Group for its consideration.

Islamic Republic of Iran: National CFC phase-out plan (first annual implementation programme) (Germany, France, UNDP, UNEP, and UNIDO) (UNEP/OzL.Pro/ExCom/41/38, Add.1 and Corr.1, Add.2 and Corr.2)

101. The Sub-Committee recommended that the Executive Committee approved funding for the implementation of the first tranche of the above project as follows:

- (a) US \$140,253 plus agency support costs of US \$18,233 to UNEP; and
- (b) US \$361,840 plus agency support costs of US \$27,138 to UNIDO.

Libyan Arab Jamahiriya: National phase-out plan (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/44 and Add.1 and Corr.1 and Add.2)

102. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/44 and Add.1 and Corr.1 and Add.2, noting that the Government of the Libyan Arab Jamahiriya had submitted a plan to phase out the remaining ODS consumption. The representative of the Secretariat recalled that the Parties to the Montreal Protocol at their 14th Meeting had noted that the Libyan Arab Jamahiriya was in non-compliance with its obligations under Article 2A of the Protocol and at their 15th Meeting had noted with

appreciation the Libyan Arab Jamahiriya's submission of its plan of action which undertook to reduce its CFC consumption from 710 ODP tonnes in 2003 to 107 ODP tonnes in 2007 and to zero by 1 January 2010.

103. At the suggestion of one representative, UNIDO agreed to implement the recovery and recycling part of the project in stages and to amend the draft agreement by adding the relevant clause.

104. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the national CFC phase-out plan for Libyan Arab Jamahiriya at a total level of funding of US \$2,497,947 plus agency support costs of US \$187,346 for UNIDO in accordance with the agreement between the Government of the Libyan Arab Jamahiriya and the Executive Committee contained in Annex IX to the present report; and
- (b) Approve US \$1,500,000 plus support cost of US \$112,500 for UNIDO implementation of the first tranche of the project.

Nigeria: National CFC phase-out plan (second tranche) (UNDP)
(UNEP/OzL.Pro/ExCom/41/50)

Nigeria: National CFC phase-out plan (aerosol sector) (UNIDO)
(UNEP/OzL.Pro/ExCom/41/50)

105. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/50.

106. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve US \$2,976,827 plus agency support costs of US \$264,834 for UNDP and US \$255,000 plus agency support costs of US \$33,150 for UNIDO for the 2004 annual work programme of the CFC phase-out plan for Nigeria;
- (b) Request UNDP to make provision in the 2004 annual implementation programme for development of methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years, as required under the agreement on the national CFC phase-out plan.

Philippines: National CFC phase-out plan, manufacturing sector: 2004 annual programme
(World Bank, Sweden) (UNEP/OzL.Pro/ExCom/41/52)

107. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/52. He reported that the World Bank had submitted a progress report on activities implemented in 2003 of the national CFC phase-out plan in the Philippines, a consumption verification report for 2002 and a request for the release of payment for the 2004 annual implementation programme.

108. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve disbursement of funds for the implementation of the 2004 annual implementation programme of the national CFC phase-out plan at the level of funding indicated in Annex I to the present report; and
- (b) Note with appreciation the vigilance of the Government of Philippines in preventing illegal imports into the country, thus preventing unwanted emissions of ODS.

Thailand: National CFC phase-out plan: 2003 annual programme (World Bank)
(UNEP/OzL.Pro/ExCom/41/61)

109. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/61.

110. The representative of the World Bank said while it would be possible to examine lists of end users, the Government of Thailand could not inspect the end users themselves in order to corroborate import data.

111. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the 2003 work programme of the CFC national phase-out plan at a total cost of US \$4,011,846 plus agency support costs of US \$353,066 for the World Bank; and
- (b) Request the World Bank to accelerate the implementation of conversions activities for the remaining CFC-consuming industries in Thailand, in order to reduce the demand for CFC.

Turkey: Total phase-out of CFCs plan: 2004 annual programme (World Bank)
(UNEP/OzL.Pro/ExCom/41/62 and Add.1)

112. The Chair drew the attention of the Sub-Committee to paragraphs 10 to 24 in document UNEP/OzL.Pro/ExCom/41/62 and Add.1, noting that the World Bank had submitted a report on the implementation of the CFC phase-out plan for Turkey for the period December 2002 to December 2003, and a request for approval of the 2004 annual implementation programme.

113. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the above project proposal at the level of funding indicated in Annex I to the present report.

Venezuela: National CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/41/63 and Corr.1 and Corr.1/Add.1)

114. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/63 and Corr.1 and Corr.1/Add.1. He said that UNIDO had

submitted a national CFC phase-out plan for Venezuela at a cost of US \$7.8 million, covering consumption in the foam sector, the commercial refrigeration manufacturing sector and the refrigeration servicing sub-sector. The objective of the project, as submitted, was to phase out 2,013 ODP tonnes of CFCs. However, on the basis of the latest consumption reported by the Government of Venezuela under Article 7 and taking into consideration the total amount of CFCs associated with approved but not yet implemented projects, it was agreed that the remaining consumption eligible for funding would be 1,049 ODP tonnes.

115. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the national CFC phase-out plan for Venezuela at a total level of funding of US \$6,240,554 plus agency support costs of US \$468,042 for UNIDO in accordance with the Agreement between the Government of Venezuela and the Executive Committee contained in Annex X to the present report; and
- (b) Approve US \$998,096 plus agency support costs of US \$74,857 for UNIDO implementation of the 2004 annual programme of the national CFC phase-out plan.

Process agent sector

China: Sector plan for phase-out of CTC and process agents (phase I): 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

116. The Chair drew the attention of the Sub-Committee to paragraphs 95 to 108 in document UNEP/OzL.Pro/ExCom/41/28 and Corr.1. The representative of the Secretariat pointed out pursuant to Decision 39/46, the World Bank has submitted a system for monitoring the implementation of the agreement on the phase-out of CTC process agents in China together with the 2004 work programme of the China CTC sector plan. He noted that approval of the third tranche of funding of US \$16 million plus agency support costs of US \$1.2 million would be sought at the 42nd Meeting.

117. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Request the World Bank to submit to the 42nd Meeting a revised 2004 work programme together with the verification report of the 2003 annual work programme. The revised 2004 work programme should address specifically:
 - (i) Information on fund disbursement; and
 - (ii) Greater details on the 2004 work programme, such as the number of CTC producers to be closed, the number of CTC consuming enterprises to be closed, converted to substitute technologies and subjected to emission control, as well as a break-down of the CTC reduction associated to each category; and

- (b) Also request the World Bank to submit to the 42nd Meeting a revised monitoring system for implementing the CTC sector plan to include indicators for verification the achievement of targets for CTC production and consumption in the proposed monitoring system. The World Bank should coordinate the methodology with the similar request for the CTC sector plan in India, taking into account the differences in technologies applied in the industries in the two countries.

Production sector

China: Sector plan for CFC production phase-out: 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

118. The Chair drew the attention of the Sub-Committee to paragraphs 109 to 116 in document UNEP/OzL.Pro/ExCom/41/28 and Corr.1. The representative of the Secretariat indicated that in accordance with the Agreement for the China production sector, which requests that annual programmes be submitted for review at the last meeting of the year preceding the year of the programme, the World Bank has submitted the year 2004 annual programme for the implementation of the Agreement, with the understanding that approval of funding for the 2004 programme will be requested at the first meeting in that year based on satisfactory performance of the programme in 2003, as per the Agreement.

119. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the 2004 work programme of the China CFC production closure programme noting that the request for funding and support costs will be submitted by the World Bank to the 42nd Meeting together with a verification report on the implementation of the 2003 annual programme.

Refrigeration sector

Argentina: Refrigeration sector CFC phase-out plan (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/23 and Corr.1 and Add.1)

120. The Secretariat drew the attention of the Sub-Committee to paragraphs 1 to 22 of document UNEP/OzL.Pro/ExCom/41/23 and Corr.1 and Add.1. He indicated that UNIDO had submitted a CFC phase-out plan to address the remaining consumption of 1,737 ODP tonnes in the refrigeration sector in Argentina, but that no agreement had yet been reached on costs.

121. Following a discussion, the Sub-Committee recommended that the Executive Committee defer consideration of the project to the 42nd Meeting of the Executive Committee.

China: Sector plan CFC final phase-out: domestic refrigeration and domestic refrigeration compressors (second tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

122. The Chair drew the attention of the Sub-Committee to paragraphs 117 to 127 in document UNEP/OzL.Pro/ExCom/41/28 Corr.1, noting that UNIDO had submitted a progress report on activities undertaken in 2003 and a work plan for the years 2003 – 2006 for the CFC phase-out plan for domestic refrigeration and refrigeration compressors in China.

123. Following a discussion, the Sub-Committee recommended that the Executive Committee:
- (a) Approve the second funding tranche at the level of US \$2,171,539 plus agency support costs of US \$192,239 for UNIDO;
 - (b) Request the Secretariat to disburse US \$1,085,770 plus US \$96,120 in support costs, pending completion by the Secretariat and UNIDO of a further examination of the possibility of redeployment of equipment from two cancelled projects to the sector plan, if necessary bringing in independent experts to assess the condition and the value of the equipment;
 - (c) Authorize the Secretariat to disburse the balance to UNIDO, upon completion of the examination, after taking into account the value from re-use of some or all of the equipment; and
 - (d) Request the Secretariat to report to the Executive Committee on the final disbursement and the return of any unallocated funding.

Democratic Republic of the Congo: Implementation of the refrigerant management plan: customs training (UNEP) (UNEP/OzL.Pro/ExCom/41/31)

Democratic Republic of the Congo: Implementation of the refrigerant management plan: training of technicians in refrigeration (UNEP) (UNEP/OzL.Pro/ExCom/41/31)

Democratic Republic of the Congo: Implementation of the refrigerant management plan: centralized recovery and recycling of CFC-12 programme (UNDP) (UNEP/OzL.Pro/ExCom/41/31)

Democratic Republic of the Congo: Implementation of the refrigerant management plan: monitoring the activities (UNEP) (UNEP/OzL.Pro/ExCom/41/31)

124. The Sub-Committee recommended that the Executive Committee approve the above project proposals at the level of funding indicated in Annex I to the present report, on the understanding that:

- (a) The Government of the Democratic Republic of the Congo would have flexibility in using the resources available under the centralized recovery and recycling programme, to address specific needs that might arise during project implementation;
- (b) The sub-contracts from the centralized recovery and recycling programme would be funded in stages so that resources could be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme were not achieved;
- (c) The centralized recovery and recycling programme should not commence until the legislation controlling CFC imports was in place and measures had been taken to ensure that the local market prices of CFCs and non-ODS refrigerants were similar; and

- (d) UNDP and UNEP would provide appropriate monitoring throughout project implementation.

India: Plan for phase-out of CFCs in the refrigeration manufacturing sector (second tranche) (UNDP, UNIDO) (UNEP/OzL.Pro/ExCom/41/36)

125. The Chair drew the attention of the Sub-Committee to paragraphs 46 to 56 in document UNEP/OzL.Pro/ExCom/41/36. He indicated that UNDP submitted the 2003 progress report on the implementation of the CFC phase-out plan in the refrigeration manufacturing sector in India and a request for implementation of the 2004 annual programme.

126. Following a discussion, the Sub-Committee recommended that the Executive Committee approve US \$476,536 plus agency support costs of US \$43,243 to UNDP and US \$173,200 plus agency support costs of US \$19,052 to UNIDO for the plan for phase-out of CFCs in the refrigeration manufacturing sector in India (second tranche).

Indonesia: Sector phase-out plan for elimination of CFCs in the refrigeration (MAC servicing) sector: 2004 annual programme (World Bank) (UNEP/OzL.Pro/ExCom/41/37)

Indonesia: Sector phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector (balance of second tranche) (UNDP) (UNEP/OzL.Pro/ExCom/41/37)

Indonesia: Sector phase-out plan for elimination of CFCs in the refrigeration (servicing) sector (second tranche) (UNDP) (UNEP/OzL.Pro/ExCom/41/37)

127. The Chair drew the attention of the Sub-Committee to paragraphs 15 to 33 in document UNEP/OzL.Pro/ExCom/41/37. He indicated that UNDP had submitted the 2003 progress report on the implementation of the commercial refrigeration manufacturing sector plan and the refrigeration servicing sector plan and the World Bank had submitted the 2003 progress report for the MAC servicing sector and the 2004 work programmes, together with requests to release the respective funding tranches.

128. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve US \$1,600,000 plus agency support costs of US \$141,100 to UNDP for the refrigeration manufacturing sector plan (balance of second tranche);
- (b) Approve US \$1,805,987 plus agency support costs of US \$160,939 to UNDP for the refrigeration servicing sector plan (second tranche); and
- (c) US \$1,347,300 plus agency support costs of US \$119,937 to the World Bank for the MAC plus agency support costs of (2004 annual programme).

Mexico: Refrigeration sector CFC phase-out plan (first tranche) (UNIDO)
(UNEP/OzL.Pro/ExCom/41/48 and Add.1/Corr.1)

129. The representative of the Secretariat drew the attention of the Sub-Committee to paragraphs 11 to 44 of document UNEP/OzL.Pro/ExCom//41/48 and Add.1/Corr.1. He indicated that UNIDO had submitted a refrigeration sector CFC phase-out plan for Mexico addressing a total CFC consumption of 1,778 ODP tonnes. In the ensuing discussion it was confirmed that with phasing out CFC consumption in the refrigeration sector including the chiller sub-sector there would be virtually no remaining CFC consumption in the country. It was also suggested that the phrase “and do not extend to obligations beyond this Protocol” in paragraph 13 of the standard agreement be replaced with the phrase “and as specified in this agreement”.

130. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the refrigeration sector CFC phase-out plan for Mexico at a total level of funding of US \$8,794,500 plus agency support costs of US \$659,588 for UNIDO in accordance with the agreement between the Government of Mexico and the Executive Committee contained in Annex XI to the present report; and
- (b) Approve US \$3,000,000 plus agency support costs of US \$225,000 for UNIDO implementation of the first tranche.

Pakistan: Phase-out of the use of CFC-11 and CFC-12 in the manufacture of refrigeration equipment at Dawlance, United Refrigeration, Ice Age and at 29 small enterprises (World Bank) (UNEP/OzL.Pro/ExCom/41/51 and Add.2)

131. The representative of the Secretariat drew the attention of the Sub-Committee to paragraphs 43 to 55 in document UNEP/OzL.Pro/ExCom/41/51 and Add.2. He indicated that the World Bank had submitted a project to phase out CFCs in the refrigeration and air-conditioning manufacturing sub-sector in Pakistan. The incremental cost of the project had been agreed by the Fund Secretariat and the World Bank; at the present time, however, the World Bank was unable to confirm acceptance by the Government of Pakistan.

132. Following a discussion, the Sub-Committee recommended that the Executive Committee defer consideration of the above project proposal to the 42nd Meeting of the Executive Committee.

Pakistan: Implementation of the refrigerant management plan (institutional framework, customs empowerment, training service technicians, recovery and recycling) (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/51)

133. The Chair drew the attention of the Sub-Committee to paragraphs 29 to 42 in document UNEP/OzL.Pro/ExCom/41/51.

134. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the refrigerant management plan for Pakistan at a total level of funding of US \$1,139,500 plus agency support costs of US \$85,463 for UNIDO for the phase out of 215 ODP tonnes of CFCs in the refrigeration servicing sector by 2007, representing the total CFC consumption eligible for funding in this sub-sector, on the understanding that the remaining consumption in the refrigeration servicing sector will be phased out by the Government of Pakistan without further assistance from the Multilateral Fund;
- (b) Approve US \$191,000 plus agency support costs of US \$14,325 for UNIDO for implementation of the first tranche of the project; and
- (c) The total funding would be requested according to the following schedule:

| Year | 2003 | 2004 | 2005 |
|----------------------|---------|---------|---------|
| Project cost (US \$) | 191,000 | 534,200 | 414,300 |
| Support cost (US \$) | 14,325 | 40,065 | 31,073 |
| Total cost (US \$) | 205,325 | 574,265 | 445,373 |

Solvent sector

Argentina: Plan for phase-out of ODS in the solvent sector (UNIDO)
(UNEP/OzL.Pro/ExCom/41/23 and Corr.1 and Add.1)

135. The Secretariat drew the attention of the Sub-Committee to paragraphs 23 to 42 in document UNEP/OzL.Pro/ExCom/41/23 and Corr.1 and Add.1, noting that UNIDO had submitted a solvent sector plan for the phase-out of CTC, TCA, CFC-113 and BCM in Argentina by the end of 2009. He said that the Secretariat had concluded its discussions with UNIDO on issues raised in its comments on the solvent plan, during which UNIDO advised that Argentina had removed the BCM part of the project.

136. Following a discussion, the Sub-Committee recommended that the Executive Committee approve the ODS phase-out plan for the solvent sector in Argentina at a level of funding of US \$635,986 plus support costs of US \$47,699 to UNIDO, with the following understandings:

- (a) The Government of Argentina committed to phase out the consumption of CTC, TCA and CFC-113 through implementation of the ODS Phase-out Plan in the Solvent Sector in Argentina according to the following phase-out schedule:

| ODS* | Max. Allowable Consumption (ODP Tonnes) | | | | | | |
|---------|---|------|------|------|------|------|------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| CTC | 30.5 | 8.0 | 6.0 | 4.0 | 2.0 | 1.0 | 0.0 |
| TCA | 31.0 | 22.0 | 16.0 | 11.0 | 7.0 | 5.0 | 0.0 |
| CFC-113 | 27.5 | 17.5 | 10.5 | 5.5 | 2.5 | 1.0 | 0.0 |
| Total | 89.0 | 47.5 | 32.5 | 20.5 | 11.5 | 7.0 | 0.0 |

*Note: within the above totals amounts of 7 ODP tonnes of TCA and 22 ODP tonnes of CFC-113 will be phased out through implementation of approved ongoing projects.

- (b) The Government of Argentina agrees that no additional Multilateral Fund resources would be requested for activities in the Solvent Sector except for the phase-out of BCM. A future proposal might be submitted, consistent with Multilateral Fund rules in effect at the time, for a level of consumption not exceeding 1.405 ODP tonnes.
- (c) The Executive Committee agreed to provide Argentina with flexibility in using the agreed funds consistent with operational procedures as agreed between Argentina and UNIDO in the Solvent Sector Phase-out Plan;
- (d) The Government of Argentina agreed that appropriate legislation would be put in place by 2005;
- (e) The Government of Argentina agreed to ensure accurate monitoring of the phase-out and provide annual reports on the verified level of consumption of CTC, TCA and CFC-113;
- (f) UNIDO would be responsible *inter alia* for the following:
 - (i) Reporting annually on the implementation of all activities funded under the sector plan;
 - (ii) Providing verification to the Executive Committee annually that CFC consumption phase-out in the Solvent Sector had been completed based on the schedules listed in the table above.

China: ODS phase-out in solvent sector: 2004 annual implementation programme solvent plan (UNDP) (UNEP/OzL.Pro/ExCom/41/28 and Corr.1)

137. The Chair drew the attention of the Sub-Committee to paragraphs 64 to 94 in document UNEP/OzL.Pro/ExCom/41/28 and Corr.1. The representative of the Secretariat said that UNDP had submitted the 2003 annual progress report and implementation programme for 2004, although verification activities had been seriously delayed by the SARS outbreak. A report on verification activities had in fact been submitted by UNDP, but not in sufficient time for the review and submission to the current meeting.

138. One representative, recalling that the agreement had allowed for 10 ODP tonnes of CFC-113 to be consumed for feedstock uses, noted that the actual consumption recorded was over 200 ODP tonnes.

139. Following a discussion, the Sub-Committee recommended that the Executive Committee request UNDP to resubmit the 2003 report of progress and the 2004 annual implementation programme for the solvent sector plan for ODS phase-out in China the performance auditing requirements to the 42nd Meeting.

Democratic People's Republic of Korea: Plan for terminal phase-out of CTC (first tranche) (UNIDO) (UNEP/OzL.Pro/ExCom/41/39 and Add.1)

140. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/39 and Add.1, noting that UNIDO had submitted a terminal plan for phase-out of CTC consumption in the Democratic People's Republic of Korea. The representative of the Secretariat indicated that the incremental costs of the project had been calculated on the basis of a remaining eligible consumption of 700 ODP tonnes, derived from the Democratic People's Republic of Korea's reported baseline consumption. The fundable CTC consumption was currently used in solvent cleaning (332 ODP tonnes), process agents (228 ODP tonnes) and fumigation (140 ODP tonnes). He noted that the incremental cost of the project had been agreed between the Secretariat and UNIDO.

141. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Endorse the approach adopted by the Secretariat and UNIDO to determine the remaining eligible consumption of the Democratic People's Republic of Korea as described in paragraph 4 of document UNEP/OzL.Pro/ExCom/41/39;
- (b) Approve in principle the plan for terminal phase-out of CTC above project proposal at the level of funding indicated in Annex I to the present report, in accordance with the Agreement between the Government of the Democratic People's Republic of Korea and the Executive Committee contained in Annex XII to the present report; and
- (c) Note that the Government of the Democratic People's Republic of Korea undertook not to submit any projects in the CTC consumption sector except for process agent applications currently ineligible for funding and that in such case the amount of CTC eligible for funding under the Multilateral Fund would not exceed 146 ODP tonnes and the funding level would not exceed US \$6.07/kg.

Pakistan: Sector phase-out plan of CTC (UNIDO) (UNEP/OzL.Pro/ExCom/41/51 and Add.1 and Add.2)

142. The Chair drew the attention of the Sub-Committee to paragraphs 56 to 78 in document UNEP/OzL.Pro/ExCom/41/51 and Add.1 and Add.2. The representative of the Secretariat indicated that UNIDO had submitted a national phase-out plan for ODS solvents for Pakistan. The Government proposes to implement a strict quota system to reduce CTC imports by 89 per cent in one year. He pointed out that agreement was reached between the Secretariat and UNIDO on the incremental cost of the phase-out plan.

143. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve in principle the sector phase-out plan for CTC in Pakistan at a total level of funding of US \$2,745,665 plus agency support costs of US \$205,924 for UNIDO in accordance with the Agreement between the Government of Pakistan and the Executive Committee contained in Annex XIII to the present report;

- (b) Request UNIDO to ensure equipment for conversion was provided only to small enterprises whose eligibility had been verified; and
- (c) Approve US \$1,200,000 plus agency costs of US \$90,000 for the first tranche of the project.

Turkey: Plan for phase-out of ODS in the solvent sector (UNIDO)
(UNEP/OzL.Pro/ExCom/41/62 and Add.1)

144. The Chair drew the attention of the Sub-Committee to paragraphs 25 to 53 in document UNEP/OzL.Pro/ExCom/41/62 and Add.1. The representative of the Secretariat indicated that UNIDO had submitted a plan for the complete phase-out of ODS solvents: CFC-113, TCA and CTC and BCM. He pointed out that pursuant to the issues raised by the Secretariat UNIDO agreed to reformulate the project on the basis of 10.8 ODP tonnes of TCA and 13.2 ODP tonnes of CTC. He also noted that the proposal for BCM phase-out had been withdrawn on the basis that Turkey could consider a process agent project at a future date if the application became eligible for funding, at a level of consumption not greater than the level currently indicated, namely 21.34 ODP tonnes.

145. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Approve the terminal umbrella project for the solvent sector in Turkey at a total cost of US \$531,644 plus agency support costs of US \$39,873 for UNIDO;
- (b) Stipulate that no further funding would be requested from the Multilateral Fund for the phase-out of CFC-113, TCA and CTC in Turkey; and
- (c) Stipulate that, should the phase-out of BCM in applicable process agent uses become eligible for funding, Turkey might submit a proposal for funding, consistent with the rules of the Multilateral Fund applying at the time, for a level of consumption not greater than 21.34 ODP tonnes.

AGENDA ITEM 11: LIQUID CARBON DIOXIDE (LCD) TECHNOLOGY AND GUIDELINES FOR LCD PROJECTS: FOLLOW-UP TO DECISIONS 39/52 (B) AND 40/17 (G)

146. The representative of the Secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/65 and Add.1. He indicated that the document consisted of two sections, one which related to seven selected enterprises in Article 5 countries and another which related to foam manufacturing enterprises in Morocco. As the second issue had been taken up in the Sub-committee on monitoring, evaluation and finance, only the first sector was addressed by the Sub-Committee on project review.

147. Following a discussion, the Sub-Committee recommended:

- (a) That the Executive Committee take note of the follow-up study on LCD technology;
- (b) That any future projects for LCD technology would have to be developed taking fully into consideration:
 - (i) The ability of the LCD technology to produce the specific foam grades manufactured by the enterprise;
 - (ii) The compatibility between the equipment provided by the LCD technology supplier and the equipment in place in the enterprise;
 - (iii) The need for long term technical support beyond the currently defined completion date of the project;
 - (iv) Having regard to the above technical constraints, the ability of LCD technology to contribute to reductions in CFC-11 consumption soon enough to meet the schedules in relevant national CFC phase-out plans; and
 - (v) The need for countries to provide written confirmation that they understood the possible problems with the application of the technology.

AGENDA ITEM 12: AN UPDATE OF THE REPORT ON THE STUDY ON ALTERNATIVES TO CFCs IN RIGID FOAM APPLICATIONS (DECISION 35/56 (B))

148. The representative of the Secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/66. He recalled that a report on the study of alternatives to CFCs in rigid foam applications presented at the 36th Meeting identified HCFC-141b and cyclopentane as two primary alternatives for CFCs as blowing agents. Pursuant to Decision 36/56 the Fund Secretariat updated the study submitted to the 36th Meeting.

149. Following a discussion, the Sub-Committee recommended that the Executive Committee take note of the update of the report on the study of alternatives to CFCs in rigid foam applications.

150. One representative was not convinced about the overly optimistic and non substantiated outlook towards the costs of drop-in replacements and the spreading of their use in Article 5 countries in the next few years as assumed in the report.

AGENDA ITEM 13: A SYSTEM FOR MONITORING THE IMPLEMENTATION OF THE AGREEMENT ON THE PHASE-OUT OF CTC AND PROCESS AGENTS IN CHINA (DECISIONS 39/46 (C) AND 40/50))

151. The representative of the secretariat drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/67 and, noting that the issue had already been discussed under agenda item 10 (b), said that there was no further information to be provided.

AGENDA ITEM 14: REPORTS ON IMPLEMENTATION OF APPROVED PROJECTS AND ACTIVITIES WITH SPECIFIC REPORTING REQUIREMENTS

152. The Chair drew the attention of the Sub-Committee to document UNEP/OzL.Pro/ExCom/41/68. He pointed out that UNIDO had submitted progress reports on the implementation of methyl bromide phase-out projects in the former Yugoslav Republic of Macedonia, Malawi, Uganda, Uruguay and Zimbabwe. UNDP had submitted a status report on technical assistance for methyl bromide reductions and the formulation of regional phase-out strategies for low-volume consuming countries in Africa and UNEP a report on national farmer's training courses and the establishment of a farmer's field school project.

153. He said that, for the reports submitted by the Governments of the former Yugoslav Republic of Macedonia, Malawi and Uruguay and for the regional programme in Africa, the Executive Committee was invited to take note of the relevant reports. For the reports submitted by the Governments of Uganda and Zimbabwe and the UNEP global training programme, the Executive Committee's guidance on specific issues was sought.

154. Following a discussion, the Sub-Committee recommended that the Executive Committee:

- (a) Take note of the reports submitted by UNIDO for the former Yugoslav Republic of Macedonia, Malawi and Uruguay and by UNDP on the technical assistance for methyl bromide reductions and formulation of regional phase-out strategies for low-volume consuming countries in Africa;
- (b) Commend the Ozone Unit of the Government of Macedonia and UNIDO for their efforts in completing the project ahead of the 2005 target;
- (c) Regarding the project proposal for Uganda:
 - (i) To note with concern that even though UNIDO received funding for the preparation of a project proposal for the methyl bromide sector, where participation of major stakeholders is foreseen as required by the guidelines for preparation of such projects, UNIDO submitted a project for Uganda that did not reflect its actual methyl bromide consumption;
 - (ii) To note that Uganda is in non-compliance with both the terms of the Montreal Protocol and the Executive Committee agreement;

- (iii) To note, however, that with the same level of assistance originally agreed by the Fund, the Government of Uganda has committed to the Executive Committee and the Parties to the Montreal Protocol to achieve significant reductions leading to a complete phase out of methyl bromide by 2007;
- (iv) Approve the change of technology foreshadowed in the progress report submitted by UNIDO and request UNIDO to implement the project in the timing and manner now proposed, with the understanding that UNIDO will submit annual progress reports prior to disbursement of annual tranches;
- (d) To defer consideration of the change of the starting point for permanent reductions in methyl bromide consumption in Zimbabwe;
- (e) Take note of the progress report on the implementation of the national farmer's training and establishment of farmer's field school project; and recommend that the Executive Committee invite UNEP to submit in 2004 requests for funding for similar activities in three additional countries, one in each region, at the same level as the project approved at the 27th Meeting.

AGENDA ITEM 15: OTHER MATTERS

A. Eligibility of small and medium-sized enterprises

155. One representative suggested that a generic approach should be developed to determining the eligibility of small and medium-sized enterprises for the delivery of equipment, on the lines of that already agreed for Pakistan. Such an approach would enable implementing agencies to continue with projects.

156. Following a discussion, in which concerns were expressed about the feasibility of such a scanning procedure and the need to identify by whom and in accordance with which criteria it would be carried out, it was agreed that more time was needed to study the proposal before any decision could be taken on it.

B. Export and import licensing systems

157. In response to a request from one representative, the Sub-Committee recommended that the Executive Committee request the secretariat to prepare an updated list of countries which lacked import and export licensing systems.

C. Proposed changes to the Sub-Committee procedures

158. Following a suggestion of the representative of the United States of America, and in view of the shift of the work of the Sub-Committee on Project Review and the need to enable the Secretariat, in a timely manner, to produce essential project documents describing proposed agreements, the Sub-Committee recommended that the Executive Committee decide that:

- (a) If cost-related issues associated with projects were not resolved one week before a meeting of the Executive Committee, related projects should not be considered by the Sub-Committee on Project Review at that meeting;
- (b) The Secretariat should provide to each delegation member of the Sub-Committee on Project Review a copy of any new or revised document that was completed subsequent to the last hard-copy dispatch of material;
- (c) The Sub-Committee should strive to avoid discussion of projects until complete up-to-date documentation was available;
- (d) If the Secretariat was recommending approval of subsequent tranches of multi-year agreements without comment, related approvals should initially be put in the list of projects for blanket approval;
- (e) At the first session of each meeting of the Sub-Committee on Project Review, the Secretariat should submit a document indicating the historical level of forward funding approved on an annual basis, and the implications for additional forward funding that would occur if all of the projects recommended for forward funding at the meeting were approved at that meeting;
- (f) The Secretariat should make every effort to economize on use of paper in preparing documentation for the meetings.

AGENDA ITEM 16: ADOPTION OF THE REPORT

159. The Sub-Committee adopted the report of its thirtieth meeting based on the draft which had been circulated in documents UNEP/OzL.Pro/ExCom/SCPR/30/L.1 and Add.1 and UNEP/OzL.Pro/ExCom/SCPR/30/L.2.

160. One representative undertook to consult with the implementing agencies in order to correct minor drafting inaccuracies in Annex I to document UNEP/OzL.Pro/ExCom/SCPR/30/L.2

AGENDA ITEM 17: CLOSURE OF THE MEETING

161. The Chair declared the meeting closed at 8:00 p.m. on Tuesday, 16 December 2003.

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/41/14
Annex I

| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|--------|-----------------|-----------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| ARGENTINA | | | | | | |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| Plan for phase-out of ODS in the solvent sector | UNIDO | 17.4 | \$635,986 | \$47,699 | \$683,685 | 11.36 |
| <p><i>Approved on the understanding that the Government commits to phase out the consumption of CTC, TCA and CFC-113 through implementation of the ODS phase out plan in the solvent sector according to the following phase out schedule which was at a minimum consistent with the Protocol's control measures for ODS solvents: from 30.5 ODP tonnes of CTC, 31 ODP tonnes of TCA and 27.5 ODP tonnes of CFC-113 in 2003 to zero consumption by 1 January 2010; the Government agrees that no additional Multilateral Fund resources will be requested for activities in the solvent sector except for the phase-out of BCM. A future proposal may be submitted, consistent with Multilateral Fund rules in effect at the time, for a level of consumption not exceeding 1.405 ODP tonnes. The Executive Committee agrees to provide Argentina with flexibility in using the agreed funds consistent with operational procedures as agreed between Argentina and UNIDO in the solvent sector phase out plan; the Government agrees to ensure accurate monitoring of the phase out and provide annual reports on the verified level of consumption of CTC, TCA and CFC-113; UNIDO will be responsible inter alia for the following: reporting annually on the implementation of all activities funded under the sector plan; and providing verification to the Executive Committee annually that CFC consumption phase-out in the solvent sector has been completed based on the above schedule.</i></p> | | | | | | |
| Total for Argentina | | 17.4 | \$635,986 | \$47,699 | \$683,685 | |
| BAHRAIN | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 3 | UNEP | | \$57,200 | \$0 | \$57,200 | |
| Total for Bahrain | | | \$57,200 | | \$57,200 | |
| BELIZE | | | | | | |
| REFRIGERATION | | | | | | |
| Preparation of project proposal | | | | | | |
| Preparation of the RMP update proposal | UNEP | | \$15,000 | \$1,950 | \$16,950 | |
| Total for Belize | | | \$15,000 | \$1,950 | \$16,950 | |

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/41/14
Annex I

| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| BOSNIA AND HERZEGOVINA | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Phase-out of methyl bromide in tobacco seedling vegetables and flower production sector | UNIDO | | \$229,000 | \$20,610 | \$249,610 | |
| <i>Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance and in accordance with the conditions for phase-out of MB in horticulture (tomatoes and cut flowers) agreed between the Government of Bosnia and Herzegovina and the Executive Committee.</i> | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| National ODS phase-out plan (first tranche) | UNIDO | | \$265,300 | \$19,898 | \$285,198 | 7.24 |
| <i>Approved on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non-compliance and in accordance with the agreement between Bosnia and Herzegovina and the Executive Committee for the phase-out of ODSs.</i> | | | | | | |
| Total for Bosnia and Herzegovina | | | \$494,300 | \$40,508 | \$534,808 | |
| BOTSWANA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | | \$78,173 | \$0 | \$78,173 | |
| Total for Botswana | | | \$78,173 | | \$78,173 | |
| BRAZIL | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (second tranche) | Germany | | \$700,000 | \$63,000 | \$763,000 | |
| National CFC phase-out plan (second tranche) | UNDP | 737.0 | \$5,720,000 | \$500,000 | \$6,220,000 | 7.76 |
| Total for Brazil | | 737.0 | \$6,420,000 | \$563,000 | \$6,983,000 | |
| BURUNDI | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: supplementary training and spares to the national programme for recovery and recycling of refrigerants | UNDP | | \$32,500 | \$2,925 | \$35,425 | |
| Implementation of the RMP: phase II of customs training programme | UNEP | | \$30,000 | \$3,900 | \$33,900 | |
| Implementation of the RMP: phase II of training of refrigeration technicians | UNEP | | \$22,500 | \$2,925 | \$25,425 | |

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/41/14
Annex I

| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|--------|-----------------|-----------------------|------------------|------------------|--------------------|
| | | | Project | Support | Total | |
| Implementation of the RMP: monitoring the activities in the RMP | UNDP | | \$20,000 | \$1,800 | \$21,800 | |
| Total for Burundi | | | \$105,000 | \$11,550 | \$116,550 | |
| CAMBODIA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: customs training programme | UNEP | | \$85,000 | \$11,050 | \$96,050 | |
| Implementation of the RMP: refrigeration and air-conditioning technicians training programme | UNEP | | \$130,000 | \$16,900 | \$146,900 | |
| Implementation of the RMP: implementation support and monitoring | UNEP | | \$50,000 | \$6,500 | \$56,500 | |
| <i>UNDP and UNEP would provide appropriate monitoring throughout project implementation</i> | | | | | | |
| Implementation of the RMP: recovery and recycling of CFC-12 refrigerant and awareness and incentive programme for the MAC sub-sector | UNDP | 20.0 | \$625,000 | \$46,875 | \$671,875 | 31.25 |
| <i>Approved on the understanding that the Government would have flexibility in utilizing the resources available under this activity, to address specific needs that might arise during project implementation; to the extent possible, this activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved; and this should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | | \$100,000 | \$0 | \$100,000 | |
| Total for Cambodia | | | 20.0 | \$990,000 | \$81,325 | \$1,071,325 |
| CAMEROON | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 4 | UNEP | | \$69,766 | \$0 | \$69,766 | |
| <i>Approve for one year on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance</i> | | | | | | |
| Total for Cameroon | | | \$69,766 | | \$69,766 | |
| CHILE | | | | | | |
| SOLVENT | | | | | | |
| Technical assistance/support | | | | | | |
| Technical assistance to phase-out ozone depleting solvents | UNDP | 17.1 | \$245,690 | \$22,112 | \$267,802 | |
| <i>Approved on the understanding that the Government of Chile will not seek any additional funding from the Multilateral Fund for the phase out of ODS solvents.</i> | | | | | | |

List of projects and activities recommended for approval

UNEP/OzL.Pro/ExCom/41/14
Annex I

| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| Total for Chile | | 17.1 | \$245,690 | \$22,112 | \$267,802 | |
| CHINA | | | | | | |
| FOAM | | | | | | |
| General | | | | | | |
| Sector plan for phase-out of CFC-11 in the China foam sector: 2004 annual programme | IBRD | 2,500.0 | \$10,903,000 | \$961,270 | \$11,864,270 | 4.36 |
| <i>The World Bank was requested to ensure, as a matter of priority, that as indicated in the 2004 annual programme, a system is put in place that would provide satisfactory verification of CFC phased out in on going and new project in the polyurethane foam sector as well as the annual CFC consumption in the sector in 2003 and subsequent years.</i> | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| National phase-out of methyl bromide (first tranche) | UNIDO | 389.0 | \$4,086,600 | \$306,495 | \$4,393,095 | 36.89 |
| <i>Approved on the understanding that the Government would have flexibility in utilizing the resources available for the phase out of methyl bromide in any crop or application it deems more appropriate; and UNIDO is requested to assist the Government to work towards the completion of a project proposal for the phase out of all controlled uses of MB for submission to the Executive Committee.</i> | | | | | | |
| HALON | | | | | | |
| General | | | | | | |
| Sector plan for halon phase-out in China: 2004 annual programme | IBRD | | \$1,200,000 | \$90,000 | \$1,290,000 | |
| PROCESS AGENT | | | | | | |
| Process conversion | | | | | | |
| Sector plan for phase out of CTC and process agents (phase I): 2004 annual programme | IBRD | | | | | |
| <i>Phase out of 6,657 ODP tonnes of CTC in the production sector and 3.2 ODP tonnes of CFC-113 in the production and consumption sectors</i> | | | | | | |
| PRODUCTION | | | | | | |
| CFC closure | | | | | | |
| Sector plan for CFC production phase-out: 2004 annual programme | IBRD | | | | | |
| <i>4,700 ODP tonnes production</i> | | | | | | |

List of projects and activities recommended for approval

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------------------------|-----------------|-----------------------|--------------------|---------------------|-------------------|
| | | | Project | Support | Total | |
| REFRIGERATION | | | | | | |
| Multiple-subsectors | | | | | | |
| Sector plan CFC final phase-out: domestic refrigeration and domestic refrigeration compressors (second tranche) | UNIDO | 1,099.0 | \$2,171,539 | \$192,239 | \$2,363,778 | |
| <i>The Secretariat was requested to disburse US \$1,085,770 plus US \$96,120 in support costs (i.e., 50% of the approved amount), pending completion by the Secretariat and UNIDO of a further examination of the possibility of redeployment of equipment from two cancelled project to the Sector Plan, if necessary, involving independent experts to assess the condition and the value of the equipment; the Secretariat was authorized to disburse the balance to UNIDO, upon completion of the examination, after taking into account the value from re-use of some or all of the equipment and the Secretariat was requested to report to the Executive Committee on the final disbursement and the return of any unallocated funding.</i> | | | | | | |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| ODS phase-out in solvent sector: 2004 annual implementation programme | UNDP | | | | | |
| | Total for China | 3,988.0 | \$18,361,139 | \$1,550,004 | \$19,911,143 | |
| COLOMBIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National phase-out plan for Annex A (Group I and II) substances: first tranche implementation programme (2005-2005) | UNDP | 174.6 | \$2,146,820 | \$161,011 | \$2,307,831 | 12.29 |
| <i>Approved in accordance with the agreement between the Government of Colombia and the Executive Committee for the phase-out plan for Annex A (Group I and II) substances</i> | | | | | | |
| | Total for Colombia | 174.6 | \$2,146,820 | \$161,011 | \$2,307,831 | |
| CONGO | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: centralized recovery and recycling of CFC-12 programme | UNDP | 2.9 | \$118,078 | \$10,627 | \$128,705 | |
| | Total for Congo | 2.9 | \$118,078 | \$10,627 | \$128,705 | |
| CONGO, DR | | | | | | |
| FOAM | | | | | | |
| Multiple-subsectors | | | | | | |
| Terminal umbrella project for the foam sector | UNDP | 123.0 | \$640,820 | \$48,062 | \$688,882 | 5.11 |
| <i>Approved on the understanding that this would be the final project for the country covering CFC consumption in the foam sector</i> | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: customs training programme | UNEP | | \$109,000 | \$14,170 | \$123,170 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|--------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| Implementation of the RMP: training programme for technicians in the refrigeration sector | UNEP | | \$115,000 | \$14,950 | \$129,950 | |
| Implementation of the RMP: monitoring the activities in the RMP <i>UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i> | UNEP | | \$40,000 | \$5,200 | \$45,200 | |
| Implementation of the RMP: centralized recovery and recycling of CFC-12 programme <i>The sub-contracts from the centralized recovery and recycling programme would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved. This programme should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 13.1 | \$437,102 | \$32,783 | \$469,885 | 33.30 |
| Total for Congo, DR | | 136.1 | \$1,341,922 | \$115,165 | \$1,457,087 | |
| COSTA RICA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: ensuring the effectiveness of all the project proposed with the RMP project <i>UNDP would provide appropriate monitoring throughout project implementation.</i> | UNDP | | \$60,000 | \$5,400 | \$65,400 | |
| Implementation of the RMP: technical assistance for training of customs officers | UNDP | | \$90,000 | \$8,100 | \$98,100 | |
| Implementation of the RMP: technical assistance for the refrigeration servicing sub-sector <i>The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation. To the extent possible this activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i> | UNDP | 46.0 | \$180,000 | \$16,200 | \$196,200 | 3.91 |
| Implementation of the RMP: technical assistance for certification and licensing of refrigeration technicians | UNDP | 17.2 | \$100,000 | \$9,000 | \$109,000 | 5.81 |
| Implementation of the RMP: incentive programme for the commercial, industrial, and fishing fleet refrigeration end-user sub-sector <i>The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation. To the extent possible this activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i> | UNDP | 36.5 | \$200,000 | \$18,000 | \$218,000 | 6.85 |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project | UNDP | | \$140,513 | \$10,538 | \$151,051 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| Total for Costa Rica | | 99.7 | \$770,513 | \$67,238 | \$837,751 | |
| CROATIA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project | UNEP | | \$87,707 | \$0 | \$87,707 | |
| Total for Croatia | | | \$87,707 | | \$87,707 | |
| CUBA | | | | | | |
| AEROSOL | | | | | | |
| Contract filler | | | | | | |
| Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs) | UNDP | 109.1 | \$5,960,000 | \$447,000 | \$6,407,000 | |
| Total for Cuba | | 109.1 | \$5,960,000 | \$447,000 | \$6,407,000 | |
| ECUADOR | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (first tranche) | IBRD | 11.0 | \$777,326 | \$58,299 | \$835,625 | 9.01 |
| <i>Approved in accordance with the agreement between Ecuador and the Executive Committee for the phase-out of CFCs.</i> | | | | | | |
| Total for Ecuador | | 11.0 | \$777,326 | \$58,299 | \$835,625 | |
| ETHIOPIA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | | \$26,216 | \$0 | \$26,216 | |
| Total for Ethiopia | | | \$26,216 | | \$26,216 | |
| GABON | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: supplementary training and spares to the national programme for recovery and recycling of refrigerants | UNDP | 2.2 | \$60,277 | \$5,425 | \$65,702 | |
| Implementation of the RMP: monitoring the activities in the RMP | UNDP | | \$15,000 | \$1,350 | \$16,350 | |
| Implementation of the RMP: phase II of training of refrigeration technicians | UNEP | | \$35,000 | \$4,550 | \$39,550 | |
| Implementation of the RMP: phase II of customs training programme | UNEP | | \$50,000 | \$6,500 | \$56,500 | |
| Total for Gabon | | 2.2 | \$160,277 | \$17,825 | \$178,102 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|----------------|-----------------|-------------------|
| | | | Project | Support | Total | |
| GAMBIA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 3 | UNEP | | \$36,573 | \$0 | \$36,573 | |
| Total for Gambia | | | \$36,573 | | \$36,573 | |
| GUINEA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 4 | UNEP | | \$43,333 | \$0 | \$43,333 | |
| Total for Guinea | | | \$43,333 | | \$43,333 | |
| HONDURAS | | | | | | |
| REFRIGERATION | | | | | | |
| Preparation of project proposal | | | | | | |
| Preparation of the RMP update proposal | UNDP | | \$15,000 | \$1,125 | \$16,125 | |
| Preparation of the RMP update proposal | UNEP | | \$15,000 | \$1,950 | \$16,950 | |
| Total for Honduras | | | \$30,000 | \$3,075 | \$33,075 | |
| INDIA | | | | | | |
| AEROSOL | | | | | | |
| Technical assistance/support | | | | | | |
| Aerosol inhalent drug products | UNDP | | \$30,000 | \$2,250 | \$32,250 | |
| <i>Approved on the understanding that India had allocated its total remaining CFC consumption eligible for funding to the refrigeration servicing sector and would not be submitting an investment project for MDI aerosols.</i> | | | | | | |
| FOAM | | | | | | |
| Multiple-subsectors | | | | | | |
| Sectoral phase-out plan for elimination of CFCs in the foam sector (second tranche) | UNDP | 210.0 | \$1,750,000 | \$153,500 | \$1,903,500 | 8.33 |
| <i>UNDP was requested to make provision in the 2003-2004 annual implementation programme for development of methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years as required under the agreement on the foam sector CFC phase-out plan.</i> | | | | | | |
| REFRIGERATION | | | | | | |
| Multiple-subsectors | | | | | | |
| Plan for phase-out of CFCs in the refrigeration manufacturing sector (second tranche) | UNIDO | 40.0 | \$173,200 | \$19,052 | \$192,252 | |
| Plan for phase-out of CFCs in the refrigeration manufacturing sector (second tranche) | UNDP | 141.0 | \$476,536 | \$43,243 | \$519,779 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|--------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| CTC phase-out plan for the consumption and production sectors (balance of 2003 tranche) | IBRD | | \$3,520,843 | \$264,063 | \$3,784,906 | |
| <i>The Executive Committee decided to refer the draft agreement and the 2004 work programme, and the policy issues therein, to the Production Sector Working Group for its consideration.</i> | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 5 | UNDP | 30.8 | \$373,230 | \$27,992 | \$401,222 | |
| Total for India | | 421.8 | \$6,323,809 | \$510,100 | \$6,833,909 | |
| INDONESIA | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Phase-out of the use of methyl bromide in grain storage | Canada | 37.8 | \$350,000 | \$45,500 | \$395,500 | 9.25 |
| <i>Approved on the understanding that this project would phase out all remaining uses of methyl bromide and that the Government would not seek additional funding from the Multilateral Fund for the phase out of controlled uses of MB.</i> | | | | | | |
| REFRIGERATION | | | | | | |
| MAC | | | | | | |
| Sector phase-out plan for elimination of CFCs in the refrigeration (MAC servicing) sector: 2004 annual programme | IBRD | 110.0 | \$1,347,300 | \$119,937 | \$1,467,237 | 12.25 |
| Multiple-subsectors | | | | | | |
| Sector phase-out plan for elimination of CFCs in the refrigeration (manufacturing) sector (balance of second tranche) | UNDP | 300.0 | \$1,600,000 | \$141,100 | \$1,741,100 | |
| Sector phase-out plan for elimination of CFCs in the refrigeration (servicing) sector (second tranche) | UNDP | 200.0 | \$1,805,987 | \$160,939 | \$1,966,926 | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project | UNDP | 22.4 | \$271,245 | \$20,343 | \$291,588 | |
| Total for Indonesia | | 670.2 | \$5,374,532 | \$487,819 | \$5,862,351 | |
| IRAN | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (first tranche of implementation plan 2004) | UNDP | | | | | |
| <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | | | | | | |
| National CFC phase-out plan (first tranche of implementation plan 2004) | UNEP | | \$140,253 | \$18,233 | \$158,486 | |
| <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | | | | | | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|-----------------------------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| National CFC phase-out plan (first tranche of implementation plan 2004) <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | UNIDO | | \$361,840 | \$27,138 | \$388,978 | |
| National CFC phase-out plan (first tranche of implementation plan 2004) <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | France | | \$1,006,620 | \$110,728 | \$1,117,348 | |
| National CFC phase-out plan (first tranche of implementation plan 2004) <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | Germany | | \$694,124 | \$76,354 | \$770,478 | 6.59 |
| | Total for Iran | | \$2,202,837 | \$232,453 | \$2,435,290 | |
| KOREA, DPR | | | | | | |
| SOLVENT | | | | | | |
| CTC | | | | | | |
| Plan for terminal phase-out of CTC (first tranche) <i>Approved on the understanding that the Government will not to submit any project in the CTC consumption sector except for process agent applications currently ineligible for funding and that in such case the amount of CTC eligible for funding under the Multilateral Fund will not exceed 146 ODP tonnes and the funding level will not exceed US\$6.07/kg and in accordance with the agreement between the Government and the Executive Committee.</i> | UNIDO | | \$3,500,000 | \$262,500 | \$3,762,500 | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | 10.2 | \$123,552 | \$0 | \$123,552 | |
| | Total for Korea, DPR | 10.2 | \$3,623,552 | \$262,500 | \$3,886,052 | |
| KYRGYZSTAN | | | | | | |
| FUMIGANT | | | | | | |
| Technical assistance/support | | | | | | |
| Technical assistance project to install alternatives and phase-out methyl bromide <i>Approved on the understanding that the Government will not seek additional funding for the phase-out of controlled uses of MB.</i> | UNDP | 14.2 | \$300,000 | \$22,500 | \$322,500 | 21.12 |
| | Total for Kyrgyzstan | 14.2 | \$300,000 | \$22,500 | \$322,500 | |
| LEBANON | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Sector phase-out of methyl bromide in vegetable, cut flower and tobacco production (third tranche) | UNDP | 54.0 | \$500,000 | \$37,500 | \$537,500 | 9.26 |
| Phase-out of methyl bromide for soil fumigation in strawberry production (third tranche) | UNIDO | 14.2 | \$450,000 | \$33,750 | \$483,750 | 31.69 |
| | Total for Lebanon | 68.2 | \$950,000 | \$71,250 | \$1,021,250 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------------------------|-----------------|-----------------------|----------------|-----------------|-------------------|
| | | | Project | Support | Total | |
| LESOTHO | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| Terminal ODS phase-out management plan (first tranche) | Germany | 0.6 | \$75,000 | \$9,750 | \$84,750 | |
| <i>Approved on the understanding that the total level of funding of the TPMP is US\$75,000 plus support cost of US\$9,750; this is the total funding that would be available to Lesotho from the Fund for the total elimination of CFCs in Lesotho. The Government commits to the phased reduction and complete phase-out in the consumption of CFCs as follows which was at a minimum consistent with the Protocol's control measures for the relevant ODS: 1.4 ODP tonnes in 2004, 0.8 ODP tonnes in 2005; 0.4 ODP tonnes in 2006; and 0 consumption in 2007; the Executive Committee agrees to provide Lesotho with flexibility in using the agreed funds consistent with operational procedures as agreed between Lesotho and the Government of Germany in the TPMP; the Government agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7; and the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP have been completed according to the phase out schedule.</i> | | | | | | |
| | Total for Lesotho | 0.6 | \$75,000 | \$9,750 | \$84,750 | |
| LIBERIA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: monitoring the activities in the RMP | Germany | | \$15,455 | \$2,009 | \$17,464 | |
| <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues, and the Government of Germany would provide appropriate monitoring of through out project implementation.</i> | | | | | | |
| Implementation of the RMP: training of trainers in code of good refrigeration practices/establishment of national refrigeration demonstration centre | Germany | | \$119,460 | \$15,530 | \$134,990 | |
| <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | | | | | | |
| Implementation of the RMP: customs training programme | UNEP | | \$40,040 | \$5,205 | \$45,245 | |
| <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | | | | | | |
| Implementation of the RMP: improved servicing and maintenance within the refrigeration sector, and recovery and recycling project | Germany | 21.0 | \$92,400 | \$12,012 | \$104,412 | 4.40 |
| <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; and the activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i> | | | | | | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| Implementation of the RMP: MAC recovery/recycling of CFC-12 <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; and the activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i> | Germany | 8.6 | \$61,858 | \$8,042 | \$69,900 | 7.19 |
| Implementation of the RMP: incentive programme for the commercial and industrial refrigeration end-user sector <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; and the activity would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved.</i> | Germany | 2.0 | \$107,350 | \$13,996 | \$121,346 | 53.67 |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Institutional strengthening | UNEP | | \$127,820 | \$0 | \$127,820 | |
| Total for Liberia | | 31.6 | \$564,383 | \$56,793 | \$621,176 | |
| LIBYA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National phase-out plan (first tranche) <i>Approved in accordance with the agreement between the Government and the Executive Committee</i> | UNIDO | | \$1,500,000 | \$112,500 | \$1,612,500 | 5.55 |
| Total for Libya | | | \$1,500,000 | \$112,500 | \$1,612,500 | |
| MALAWI | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 4 | UNEP | | \$66,733 | \$0 | \$66,733 | |
| Total for Malawi | | | \$66,733 | | \$66,733 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|-----------------------------|-----------------|-----------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| MAURITANIA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: awareness and incentive programme for MAC, commercial and industrial end-users <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; the activity would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and the activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 3.0 | \$100,000 | \$9,000 | \$109,000 | |
| Implementation of the RMP: centralized recovery and recycling of CFC-12 programme <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; and the activity would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and the activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 2.2 | \$100,995 | \$9,090 | \$110,085 | |
| Implementation of the RMP: training the trainers of refrigeration technicians <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$65,000 | \$8,450 | \$73,450 | |
| Implementation of the RMP: training programme for customs excise <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$39,800 | \$5,174 | \$44,974 | |
| Implementation of the RMP: monitoring the activities in the RMP <i>Approval is without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i> | UNEP | | \$30,000 | \$3,900 | \$33,900 | |
| | Total for Mauritania | 5.2 | \$335,795 | \$35,614 | \$371,409 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| MAURITIUS | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| Implementation of an ODS terminal phase out management plan (first tranche) | Germany | 2.0 | \$110,000 | \$14,300 | \$124,300 | |
| <i>Approved on the understanding that the total level of funding of the TPMP is US\$212,030 plus support cost of US\$27,564. This is the total funding that would be available to the Government from the Fund for the total elimination of all ozone depleting substances in Mauritius. The Government commits to the phased reduction and complete phase-out in the consumption of CFCs, according to the following phase out schedule which was at a minimum consistent with the Protocol's control measures for the relevant ODS: 2.0 ODP tonnes in 2004, 1.0 ODP tonne in each 2005 and 2006 and 0 consumption in 2007; the Executive Committee agrees to provide Mauritius with flexibility in using the agreed funds consistent with operational procedures as agreed between Mauritius and the Government of Germany in the TPMP; the Government agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7; and the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP have been completed according to the phase out schedule.</i> | | | | | | |
| Total for Mauritius | | 2.0 | \$110,000 | \$14,300 | \$124,300 | |
| MEXICO | | | | | | |
| AEROSOL | | | | | | |
| Filling plant | | | | | | |
| Umbrella project for the conversion of CFC-11, CFC-12 and CFC-113 into HFC, HCFC, HFE for technical aerosols at Tecnosol, Envatec and Dimmex | IBRD | 57.3 | \$252,340 | \$18,926 | \$271,266 | 4.40 |
| REFRIGERATION | | | | | | |
| Multiple-subsectors | | | | | | |
| Refrigeration sector CFC phase-out plan (first tranche) | UNIDO | | \$3,000,000 | \$225,000 | \$3,225,000 | |
| <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | | | | | | |
| Total for Mexico | | 57.3 | \$3,252,340 | \$243,926 | \$3,496,266 | |
| MOLDOVA | | | | | | |
| REFRIGERATION | | | | | | |
| Preparation of project proposal | | | | | | |
| Project preparation for the RMP proposal | UNDP | | \$25,000 | \$1,875 | \$26,875 | |
| Total for Moldova | | | \$25,000 | \$1,875 | \$26,875 | |

List of projects and activities recommended for approval

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------|-----------------|-----------------------|------------------|-----------------|-------------------|
| | | | Project | Support | Total | |
| MOZAMBIQUE | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | | \$80,080 | \$0 | \$80,080 | |
| Total for Mozambique | | | \$80,080 | | \$80,080 | |
| NAMIBIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| Terminal phase-out management plan for ODS | Germany | 10.5 | \$160,000 | \$20,800 | \$180,800 | |
| <p><i>Approved on the understanding that the total level of funding of the TPMP is US\$252,500 plus support cost of US\$32,825. This is the total funding that would be available to the Government from the Fund for the total elimination of CFCs in Namibia. The Government commits to the phased reduction and complete phase-out in the consumption of CFCs, according to the following phase out schedule which was at a minimum consistent with the Protocol's control measures for CFCs: 4.0 ODP tonnes in 2004, 3.0 ODP tonnes in each 2005 and 2006, 2.0 ODP tonnes in 2007 and 0 consumption in 2008; the Executive Committee agrees to provide Namibia with flexibility in using the agreed funds consistent with operational procedures as agreed between Namibia and the Government of Germany in the TPMP; the Government agrees to ensure accurate monitoring of the phase-out and provide regular reports, as required by its obligations under Article 7; and the bilateral agency will be responsible for reporting annually on the implementation of activities funded under the TPMP and providing verification to the Executive Committee annually, that the ODS consumption reductions in the TPMP have been completed according to the phase out schedule.</i></p> | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 3 | UNEP | | \$53,530 | \$0 | \$53,530 | |
| Total for Namibia | | | 10.5 | \$213,530 | \$20,800 | \$234,330 |
| NICARAGUA | | | | | | |
| REFRIGERATION | | | | | | |
| Preparation of project proposal | | | | | | |
| Preparation of the RMP update proposal (investment component) | UNDP | | \$15,000 | \$1,125 | \$16,125 | |
| Preparation of refrigerant management update proposal | UNEP | | \$15,000 | \$1,950 | \$16,950 | |
| Total for Nicaragua | | | \$30,000 | \$3,075 | \$33,075 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------------------------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| NIGER | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 4 | UNEP | | \$64,827 | \$0 | \$64,827 | |
| | Total for Niger | | \$64,827 | | \$64,827 | |
| NIGERIA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (second tranche) | UNDP | 830.0 | \$2,976,827 | \$264,834 | \$3,241,661 | 3.59 |
| <i>UNDP was requested to make provision in the 2004 annual implementation programme for development of methodology for an independent audit to be used to verify consumption limits for 2003 and subsequent years as required under the agreement on the national CFC phase out plan.</i> | | | | | | |
| National CFC phase-out plan (aerosol sector) | UNIDO | 57.9 | \$255,000 | \$33,150 | \$288,150 | 4.40 |
| | Total for Nigeria | 887.9 | \$3,231,827 | \$297,984 | \$3,529,811 | |
| OMAN | | | | | | |
| HALON | | | | | | |
| Technical assistance/support | | | | | | |
| Halon consumption phase-out through a two component project consisting of Part a: technical assistance programme and a part B: halon recycling | IBRD | | \$64,600 | \$5,814 | \$70,414 | |
| <i>Approved on the understanding that the Government of Oman agrees to ban the import of new halons six months after the installation of the halon equipment and that it will not seek any further assistance from the Multilateral Fund for halon and fire protection sector.</i> | | | | | | |
| | Total for Oman | | \$64,600 | \$5,814 | \$70,414 | |
| PAKISTAN | | | | | | |
| FOAM | | | | | | |
| Polystyrene/polyethylene | | | | | | |
| Phase-out of the use of CFCs in remaining foam enterprises: Pakistan Insulation, Simpson Wire, HEPCO, Indus Plastic, Workman and Thermocraft Engineering | IBRD | 104.8 | \$658,973 | \$49,423 | \$708,396 | 6.29 |
| HALON | | | | | | |
| Banking | | | | | | |
| Plan for the phase-out of import and net consumption of halons in the fire fighting sector | UNIDO | 24.2 | \$209,400 | \$18,846 | \$228,246 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|---------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP (institutional framework, customs empowerment, training service technicians, recovery and recycling) (first tranche) | UNIDO | 36.0 | \$191,000 | \$14,325 | \$205,325 | 5.30 |
| <i>Approve in principle the refrigerant management plan for Pakistan at a total level of funding of US \$1,139,500 plus agency support costs of US \$85,463 for UNIDO for the phase out of 215 ODP tonnes of CFCs in the refrigeration servicing sector by 2007, representing the total CFC consumption eligible for funding in this sub-sector, on the understanding that the remaining consumption in the refrigeration servicing sector will be phased out by the Government of Pakistan without further assistance from the Multilateral Fund, and as a minimum consistent with the Montreal Protocol's measures for CFCs.</i> | | | | | | |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| Sector phase-out plan of CTC | UNIDO | 20.0 | \$1,200,000 | \$90,000 | \$1,290,000 | 7.97 |
| <i>Approved in accordance with the agreement between the Government and the Executive Committee. UNIDO was requested to ensure equipment for conversion was provided only to small enterprises whose eligibility had been verified.</i> | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 3 | UNDP | 18.6 | \$224,467 | \$16,835 | \$241,302 | |
| Total for Pakistan | | 203.6 | \$2,483,840 | \$189,429 | \$2,673,269 | |
| PAPUA NEW GUINEA | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project | Germany | | \$39,693 | \$5,160 | \$44,853 | |
| Total for Papua New Guinea | | | \$39,693 | \$5,160 | \$44,853 | |
| PHILIPPINES | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| ODS phase out plan | | | | | | |
| National CFC phase-out plan: servicing sector (2004 annual programme) | Sweden | | \$166,134 | \$12,952 | \$179,086 | |
| <i>The Executive Committee noted with appreciation the vigilance of the Government in preventing illegal imports into the country, thus preventing unwanted emissions of ODS.</i> | | | | | | |
| National CFC phase-out plan: manufacturing sector: 2004 annual programme | IBRD | 150.0 | \$1,877,418 | \$160,968 | \$2,038,386 | 12.52 |
| <i>The Executive Committee noted with appreciation the vigilance of the Government in preventing illegal imports into the country, thus preventing unwanted emissions of ODS.</i> | | | | | | |
| Total for Philippines | | 150.0 | \$2,043,552 | \$173,920 | \$2,217,472 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|------------------|-----------------|-------------------|
| | | | Project | Support | Total | |
| QATAR | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 <i>Approve for one year on the understanding that the approval was without prejudice to the operation of the Montreal Protocol's mechanism dealing with non compliance</i> | UNIDO | | \$44,500 | \$3,338 | \$47,838 | |
| Total for Qatar | | | \$44,500 | \$3,338 | \$47,838 | |
| ROMANIA | | | | | | |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| Terminal umbrella project for the phase-out of ODS solvents | UNIDO | 11.1 | \$220,615 | \$19,855 | \$240,470 | 19.88 |
| Total for Romania | | | 11.1 | \$220,615 | \$19,855 | \$240,470 |
| RWANDA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: monitoring the activities in the RMP <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i> | UNEP | | \$20,000 | \$2,600 | \$22,600 | |
| Implementation of the RMP: training programme for customs officers <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$50,000 | \$6,500 | \$56,500 | |
| Implementation of the RMP: train the trainer programme for refrigeration service technicians <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$50,000 | \$6,500 | \$56,500 | |
| Implementation of the RMP: refrigeration manufacturing and centralized recovery and recycling of refrigerants <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government of Rwanda would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; the sub contracts would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and the activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 3.3 | \$118,758 | \$10,688 | \$129,446 | 35.99 |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Establishment of the Ozone Unit | UNEP | | \$64,600 | \$0 | \$64,600 | |
| Total for Rwanda | | 3.3 | \$303,358 | \$26,288 | \$329,646 | |
| SAINT LUCIA | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP update | Canada | | \$73,450 | \$9,549 | \$82,999 | |
| Total for Saint Lucia | | | \$73,450 | \$9,549 | \$82,999 | |
| SENEGAL | | | | | | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 5 | UNEP | | \$152,100 | \$0 | \$152,100 | |
| Total for Senegal | | | \$152,100 | | \$152,100 | |
| SIERRA LEONE | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: improved servicing and maintenance within the refrigeration sector, and recovery and recycling project | UNDP | | \$92,400 | \$8,316 | \$100,716 | |
| <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; this activity would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and this activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | | | | | | |
| Implementation of the RMP: monitoring the activities in the RMP | UNEP | | \$15,455 | \$2,009 | \$17,464 | |
| <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. UNDP and UNEP would provide appropriate monitoring throughout project implementation.</i> | | | | | | |
| Implementation of the RMP: customs training programme | UNEP | | \$41,840 | \$5,439 | \$47,279 | |
| <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | | | | | | |

List of projects and activities recommended for approval

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|--------|-----------------|-----------------------|-----------------|------------------|-------------------|
| | | | Project | Support | Total | |
| Implementation of the RMP: training of trainers in code of good refrigeration practices/establishment of national refrigeration demonstration centre <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$119,460 | \$15,530 | \$134,990 | |
| Implementation of the RMP: MAC recovery/recycling of CFC-12 <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; this activity would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and this activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 11.9 | \$61,858 | \$5,567 | \$67,425 | 5.20 |
| Implementation of the RMP: incentive programme for the commercial and industrial refrigeration end-user sector <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues. The Government would have flexibility in utilizing the resources available under this activity to address specific needs that might arise during project implementation; this activity would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved; and this activity should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are at least similar.</i> | UNDP | 2.0 | \$107,350 | \$9,662 | \$117,012 | 53.67 |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Establishment of the Ozone Unit | UNEP | | \$85,800 | \$0 | \$85,800 | |
| Total for Sierra Leone | | 13.9 | \$524,163 | \$46,523 | \$570,686 | |
| SUDAN | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| Preparation of project proposal | | | | | | |
| Preparation of a national ODS phase-out plan | UNIDO | | \$70,000 | \$5,250 | \$75,250 | |
| Total for Sudan | | | \$70,000 | \$5,250 | \$75,250 | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|---------|-----------------|-----------------------|------------------|------------------|-------------------|
| | | | Project | Support | Total | |
| SURINAME | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP: development and strengthening of policy and regulatory framework for acceleration of compliance with the Montreal Protocol <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$20,000 | \$2,600 | \$22,600 | |
| Implementation of the RMP: training of customs officers and other relevant stakeholders in monitoring of ODS <i>Approval of the project would be without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non-compliance issues.</i> | UNEP | | \$42,000 | \$5,460 | \$47,460 | |
| Implementation of the RMP: training of trainers in good practices of refrigeration | UNEP | | \$70,000 | \$9,100 | \$79,100 | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Institutional strengthening and capacity building: establishment of the Ozone Unit | UNEP | | \$110,000 | \$0 | \$110,000 | |
| Total for Suriname | | | \$242,000 | \$17,160 | \$259,160 | |
| SWAZILAND | | | | | | |
| REFRIGERATION | | | | | | |
| Refrigerant management plan | | | | | | |
| Implementation of the RMP update | Germany | | \$74,295 | \$9,658 | \$83,953 | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 2 | UNEP | | \$58,344 | \$0 | \$58,344 | |
| Total for Swaziland | | | \$132,639 | \$9,658 | \$142,297 | |
| SYRIA | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Phase-out of methyl bromide in grain storage (second tranche) <i>Approved on the understanding that the remaining consumption of controlled uses of methyl bromide that would be eligible for funding once the project was fully implemented was 8 ODP tonnes.</i> | UNIDO | 6.0 | \$351,725 | \$26,379 | \$378,104 | |
| Total for Syria | | | 6.0 | \$351,725 | \$26,379 | \$378,104 |

List of projects and activities recommended for approval

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|---|---------|-----------------|-----------------------|------------------|--------------------|-------------------|
| | | | Project | Support | Total | |
| THAILAND | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan: 2003 annual programme | IBRD | 486.0 | \$4,011,846 | \$353,066 | \$4,364,912 | 8.25 |
| <i>The World Bank was requested to accelerate the implementation of conversions activities for the remaining CFC consuming industries in Thailand to reduce the demand for CFC.</i> | | | | | | |
| Total for Thailand | | 486.0 | \$4,011,846 | \$353,066 | \$4,364,912 | |
| TURKEY | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Phase-out of methyl bromide in protected tomato, cucumber and carnation crops (second tranche) | UNIDO | 58.0 | \$1,000,000 | \$75,000 | \$1,075,000 | 29.20 |
| SOLVENT | | | | | | |
| Multiple solvents | | | | | | |
| Terminal umbrella project for phase-out of remaining ozone depleting solvents | UNIDO | 24.0 | \$531,644 | \$39,873 | \$571,517 | 22.15 |
| <i>Approved on the understanding that no further funding will be requested from the Multilateral Fund for the phase-out of CFC-113, TCA and CTC in Turkey; and should the phase-out of BCM in applicable process agent uses become eligible for funding, Turkey may submit a proposal for funding, consistent with the rules of the Multilateral Fund applying at the time, for a level of consumption not greater than 21.34 ODP tonnes.</i> | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| Total phase-out of CFCs plan: 2004 annual programme | IBRD | 218.0 | \$1,000,000 | \$150,000 | \$1,150,000 | |
| Total for Turkey | | 300.0 | \$2,531,644 | \$264,873 | \$2,796,517 | |
| VENEZUELA | | | | | | |
| PHASE-OUT PLAN | | | | | | |
| CFC phase out plan | | | | | | |
| National CFC phase-out plan (first tranche) | UNIDO | | \$998,096 | \$74,857 | \$1,072,953 | |
| <i>Approved in accordance with the agreement between the Government and the Executive Committee.</i> | | | | | | |
| Total for Venezuela | | | \$998,096 | \$74,857 | \$1,072,953 | |
| YEMEN | | | | | | |
| FUMIGANT | | | | | | |
| Methyl bromide | | | | | | |
| Technical assistance programme for the phase-out of methyl bromide in agriculture | Germany | 9.1 | \$250,000 | \$32,500 | \$282,500 | 27.47 |
| <i>Approved on the understanding that approval was without prejudice to the operation of the Montreal Protocol's mechanisms dealing with non compliance issues.</i> | | | | | | |

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| Project Title | Agency | ODP (tonnes) | Funds approved (US\$) | | | C.E. (US\$/kg) |
|--|-------------------------|-----------------|-----------------------|--------------------|---------------------|-------------------|
| | | | Project | Support | Total | |
| SEVERAL | | | | | | |
| Institutional strengthening | | | | | | |
| Extension of institutional strengthening project: phase 3 | UNEP | 8.6 | \$104,000 | \$0 | \$104,000 | |
| | Total for Yemen | 17.7 | \$354,000 | \$32,500 | \$386,500 | |
| GLOBAL | | | | | | |
| MULTI-SECTOR | | | | | | |
| Technical assistance/support | | | | | | |
| Development of handbook on industry operated systems for recovery and reuse of ozone depleting substances | Japan | | \$46,166 | \$6,002 | \$52,168 | |
| Development of handbook on industry operated systems for recovery and reuse of ozone depleting substances | Sweden | | \$21,583 | \$2,806 | \$24,389 | |
| SEVERAL | | | | | | |
| Programme administration | | | | | | |
| Compliance assistance programme: 2004 budget | UNEP | | \$6,757,900 | \$540,632 | \$7,298,532 | |
| <i>Approved on the following basis: incorporation of 12 month costs for the European/Central Asian Regional Network pro rata on 2003 costs; incorporation of 9.9% increase for staff costs on the basis of forecasted actual costs; overall allowance of 4 per cent inflation to cover all other costs, with the exception of the following specific budget lines: 3202, 3203, 3204 and 3205, each to be increased to US \$30,000; 3302 to US \$220,000; 3303 to US \$160,000; 3305 to US \$80,000; 3306 to US \$70 000; consider future programme support costs on the basis of a decision by the Executive Committee taken after consideration of the investigation to be carried out by UNEP; and review the CAP budget in one year's time on the basis results achieved.</i> | | | | | | |
| | Total for Global | | \$6,825,649 | \$549,440 | \$7,375,089 | |
| | GRAND TOTAL | 8,686.5 | \$88,762,734 | \$7,394,686 | \$96,157,420 | |

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| Sector | Tonnes (ODP) | Funds approved (US\$) | | |
|---|-----------------|-----------------------|-------------|--------------|
| | | Project | Support | Total |
| BILATERAL COOPERATION | | | | |
| Fumigant | 46.9 | \$600,000 | \$78,000 | \$678,000 |
| Multi-sector | | \$67,749 | \$8,808 | \$76,557 |
| Refrigeration | 31.6 | \$424,808 | \$55,265 | \$480,073 |
| Phase-out plan | 13.1 | \$2,211,878 | \$244,884 | \$2,456,762 |
| Several | | \$39,693 | \$5,160 | \$44,853 |
| TOTAL: | 91.6 | \$3,344,128 | \$392,117 | \$3,736,245 |
| INVESTMENT PROJECT | | | | |
| Aerosol | 166.4 | \$6,212,340 | \$465,926 | \$6,678,266 |
| Foam | 2,937.8 | \$13,952,793 | \$1,212,255 | \$15,165,048 |
| Fumigant | 535.4 | \$6,917,325 | \$522,234 | \$7,439,559 |
| Halon | 24.2 | \$1,409,400 | \$108,846 | \$1,518,246 |
| Process agent | | | | |
| Production | | | | |
| Refrigeration | 2,086.3 | \$14,674,435 | \$1,307,285 | \$15,981,720 |
| Solvent | 72.5 | \$6,088,245 | \$459,927 | \$6,548,172 |
| Phase-out plan | 2,664.5 | \$26,251,569 | \$2,261,017 | \$28,512,586 |
| TOTAL: | 8,487.2 | \$75,506,107 | \$6,337,490 | \$81,843,597 |
| WORK PROGRAMME AMENDMENT | | | | |
| Aerosol | | \$30,000 | \$2,250 | \$32,250 |
| Halon | | \$64,600 | \$5,814 | \$70,414 |
| Refrigeration | | \$100,000 | \$9,975 | \$109,975 |
| Solvent | 17.1 | \$245,690 | \$22,112 | \$267,802 |
| Phase-out plan | | \$70,000 | \$5,250 | \$75,250 |
| Several | 90.6 | \$9,402,209 | \$619,678 | \$10,021,887 |
| TOTAL: | 107.7 | \$9,912,499 | \$665,079 | \$10,577,578 |
| Summary by Parties and Implementing Agencies | | | | |
| Canada | 37.8 | \$423,450 | \$55,049 | \$478,499 |
| France | | \$1,006,620 | \$110,728 | \$1,117,348 |
| Germany | 53.8 | \$2,499,635 | \$283,110 | \$2,782,745 |
| Japan | | \$46,166 | \$6,002 | \$52,168 |
| Sweden | | \$187,717 | \$15,758 | \$203,475 |
| Germany | | \$819,460 | \$78,530 | \$897,990 |
| IBRD | 3,637.2 | \$25,613,646 | \$2,231,766 | \$27,845,412 |
| UNDP | 3,142.2 | \$27,736,453 | \$2,294,691 | \$30,031,144 |
| UNEP | 18.8 | \$9,803,602 | \$729,828 | \$10,533,430 |
| UNIDO | 1,796.8 | \$21,445,445 | \$1,667,754 | \$23,113,199 |
| GRAND TOTAL | 8,686.5 | \$88,762,734 | \$7,394,686 | \$96,157,420 |

Annex II

DRAFT AGREEMENT BETWEEN THE ISLAMIC REPUBLIC OF IRAN AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of the Islamic Republic of Iran (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 31 December 2009 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances, namely in the refrigeration, foam and solvent sector in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the consumption of Substances. Further funding can only be applied for activities that are not directly related to the consumption of Substances such as eligible support measures for the implementation of the plan like the development of strategies, or institutional support.
3. Subject to compliance with the following paragraphs 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 25 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in row 2-A and 4 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 8;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;

- (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 8.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 8.

8. 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. The Government of Germany (the “Lead IA”) has agreed to be the lead implementing agency and the Government of France, UNIDO, UNDP, UNEP, (the “Cooperating IAs”) have agreed to be cooperating implementing agencies under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Cooperating IAs will be responsible for carrying out the activities listed in Appendix 6-B. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in row 8.2 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substances 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

10. 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.

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

12. 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 Protocol unless otherwise defined herein.

Appendix 1-A
THE SUBSTANCES

1. The common names of the ozone-depleting substances to be phased out under the Agreement will be listed here.

| | | |
|----------|---------|---|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115 |
|----------|---------|---|

Appendix 2-A
THE TARGETS, AND FUNDING

1. Annual Targets of the NPP

| Year | 2001 | 2002 | 2003(*) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|--------------|------|
| 1. Compliance Targets | | | | | CFC-50% | | CFC-85% | | | |
| 2. Max allowable total consumption of Annex A Group I substances (ODP tonnes) | 4,571.0 | 4,571.0 | 4,571.0 | 4,571.0 | 2,285.0 | 2,285.0 | 685.0 | 685.0 | 685.0 | |
| 2-A. Max agreed total consumption of Annex A Group I substances (ODP tonnes) | 4,156.5 | 4,005.4 | 3,889.4 | 3,889.4 | 2,269.2 | 965.6 | 578.7 | 328.4 | 132.7 | 0.0 |
| 3. Reduction from ongoing projects | 151.1 | 116.0 | | 1,120.0 | 988.0 | 73.0 | | | | |
| 4. New reduction under plan (total)(**) | | | | 500.3 | 315.5 | 313.9 | 250.3 | 195.7 | 132.7 | |
| 4.1 Domestic/commercial servicing (RMP) | | | | 129.5 | 115.5 | 99.5 | 66.6 | 36.4 | 27.5 | |
| 4.2 Refrigeration Manufacturing | | | | 56.0 | | | | | | |
| 4.3 Refrigeration Assembly | | | | 135.0 | | | | | | |
| 4.4 Foam Sector Plan | | | | 110.8 | 108.7 | 110.1 | 102.0 | 100.9 | 75.9 | |
| 4.5 MAC sector | | | | 59.4 | 91.4 | 104.3 | 81.6 | 58.5 | 29.3 | |
| 4.6 Solvent Sector Plan | | | | 9.6 | | | | | | |
| 5. Total annual reduction of Annex A Group I substances (ODP tonnes) | 151.1 | 116.0 | | 1,620.3 | 1,303.5 | 386.9 | 250.3 | 195.7 | 132.7 | |

(*) Estimated consumption figure

(**) Completion of phase-out targets by end of year

Appendix 2-A
THE TARGETS, AND FUNDING (CONT.)

2. Agency Shares of total Funding per Annum

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | Total |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|---------|---------|------|------------|
| Lead Agency | | | | | | | | | |
| GTZ annual funding | 694,124 | 946,405 | 479,044 | 1,007,124 | 920,868 | 729,846 | 717,630 | | 5,495,042 |
| Support costs | 76,354 | 104,105 | 52,695 | 110,784 | 101,295 | 80,283 | 78,939 | | 604,455 |
| Total GTZ | 770,477 | 1,050,509 | 531,739 | 1,117,908 | 1,022,163 | 810,130 | 796,570 | | 6,099,497 |
| Cooperating Agencies | | | | | | | | | |
| France annual funding | 1,006,620 | | 500,000 | | | | | | 1,506,620 |
| Support costs | 110,728 | | 55,000 | | | | | | 165,728 |
| Total France | 1,117,348 | | 555,000 | | | | | | 1,672,348 |
| UNEP annual funding | 140,253 | | | | | | | | 140,253 |
| Support costs | 18,233 | | | | | | | | 18,233 |
| Total UNEP | 158,486 | | | | | | | | 158,486 |
| UNIDO annual funding | 361,840 | 2,104,066 | 742,449 | 66,224 | 36,179 | 27,328 | | | 3,338,085 |
| Support costs | 27,138 | 157,805 | 55,684 | 4,967 | 2,713 | 2,050 | | | 250,356 |
| Total UNIDO | 388,978 | 2,261,870 | 798,132 | 71,191 | 38,892 | 29,378 | | | 3,588,441 |
| UNDP annual funding | | 770,000 | | | | | | | 770,000 |
| Support costs | | 57,750 | | | | | | | 57,750 |
| Total UNDP | | 827,750 | | | | | | | 827,750 |
| Overall | | | | | | | | | |
| Total grant requested | 2,202,837 | 3,820,470 | 1,721,493 | 1,073,348 | 957,047 | 757,175 | 717,630 | | 11,250,000 |
| Accumulated Support Costs | 232,453 | 319,659 | 163,379 | 115,750 | 104,009 | 82,333 | 78,939 | | 1,096,522 |
| Total Costs | 2,435,289 | 4,140,130 | 1,884,872 | 1,189,099 | 1,061,055 | 839,507 | 796,570 | | 12,346,522 |

Appendix 3-A
FUNDING DISBURSEMENT SCHEDULE

3. Funding will be submitted for approval at the first meeting of the year of the annual plan.

Appendix 4-A
FORM AND ANNUAL IMPLEMENTATION PROGRAMME

- Data**
 - Country _____
 - Year of plan _____
 - # of years completed _____
 - # of years remaining under the plan _____
 - Target ODS consumption of the preceding year _____
 - Target ODS consumption of the year of plan _____
 - Level of funding requested _____
 - Lead implementing agency _____

2. Targets

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. Industry Action

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. Technical Assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|----------|------------------------------|
| | |
| | |
| Total | |

7. Administrative Fees

Appendix 5-A

MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (herein called NOU) monitors the consumption data of all Substances through agencies, cooperating ministries and the regional offices of the environmental ministry.
2. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion.
3. The licensing System will be a tool to monitor and ensure compliance of control measures. It will validated by the use of independent auditors to inspect the use of CFCs through distributors.
4. The NOU will offer continuity and endorsement of implememntation plans through the institutional support over the next years.
5. After establishment of the implementation and management facility (herein called IMAF) a reporting scheme between IAs and local institutions will be established . The reporting format and requirements will allow transparent and continued verification of the total CFC phase out in the country.
6. The goverment will issue necessary official request to all beneficiaries and distributors in order to enforce proper facilitation and availability of data.
7. Above communications will be counterchecked by reports of custom authorities.
8. The information collected from recovery activities will include :
 - Number of appliances subjected to refrigerant recovery and type of these appliances at every service workshop;
 - Amount of recovered CFC refrigerants sent to the recycling centres;
 - Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
 - Amount of recycled CFC refrigerants returned (sold) to workshops;
 - Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).
9. Information on cost of recovery and reclaim activities will be collected annually on random basis.
10. Information collected from the investment sectors will include

- Progress and completion of activities
 - Destruction of old CFC equipment where required
 - Total production and use of CFC and later on use of replacements
 - Operational costs and total investments associated with the conversion
 - Stockpiles of CFCs and their transfer to authorised consumers
11. The responsible agencies will perform regular monitoring, verification and auditing of the implementation of the Sector activities in line with the established procedures of both the Multilateral Fund and the Agency rules.
 12. An annual report will compile relevant information on prices, consumption and completion of projects in such way that it can serve as template for the annual implementation of the following year.
 13. More detailed information is available in the National Phase Out Plan under the chapters that discuss activities in each sector.

The table below illustrates the distribution of responsibilities and reporting requirements under the National Plan :

| Monitoring | Responsible | Reports to | Times/year |
|---|-------------------------|-------------------|-------------------|
| Industry Sector phase out | | | |
| Refrigeration Manufacturing/Assembly | UNDP/UNIDO | IMAF/NOU | 3 |
| Domestic/Commercial Servicing (RMP) | UNIDO | IMAF/NOU | 3 |
| Foam | Germany | IMAF/NOU | 3 |
| MAC service sector | France | IMAF/NOU | 3 |
| Solvent Sector | UNIDO | IMAF/NOU | 3 |
| Import | | | |
| Import of CFCs | Customs department (CD) | IMAF/NOU | 1 |
| Sector breakdown | IMAF | IMAF/NOU | 1 |
| Regulations | | | |
| Legislative Council | NOU/UNEP | IMAF | 1 |
| Bureau of Standards | UNEP/NOU | IMAF | 1 |
| Quota | NOU/CD | IMAF | 1 |
| Overall implementation | | | |
| Consolidated project progress | IMAF/NOU/Germany | MLF/EXCOM | 1 |

IMAF=Implementation Management Facility

Appendix 6-A**ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead Implementing Agency will be responsible for a range of activities to be specified in the project document along the lines of the following:
 - (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2003;
 - (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
 - (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
 - (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.

Appendix 6-B

ROLE OF COOPERATING IMPLEMENTING AGENCIES

Subsector Activities and Responsible Agencies

| <i>Subsector activity</i> | <i>ODP</i> | <i>CE</i> | <i>Subtotal</i> | <i>Total</i> | <i>Coordinating Agency</i> |
|---|------------|-----------|-----------------|-------------------|----------------------------|
| Refrigeration Manufacturing | 56.0 | 13.75 | | 770,000 | UNDP |
| Refrigeration Assembly | 135.0 | 6.84 | | 923,245 | UNIDO |
| MAC | 424.4 | 5.00 | | 2,122,000 | |
| Investment/ Recovery and Recycling | | | 1,506,620 | | FRANCE |
| TA/Training program | | | 615,380 | | GTZ |
| Servicing domestic/commercial units | 475.0 | 5.00 | | 2,375,000 | UNIDO |
| Investment/ Recovery and Recycling | | | | | |
| Training/Incentive component (Training of customs officer) | | | | | |
| Foam sector | 608.4 | 6.57 | | 3,997,188 | GTZ |
| Solvent/Aerosol Sector | 9.6 | 4.15 | | 39,840 | UNIDO |
| Subtotal | 1,708.4 | | | 10,227,273 | |
| Project Management and Policy Support | | | | 1,022,727 | |
| Regulatory and Policy Support | | | 140,253 | | UNEP |
| Management and Monitorig unit | | | 882,474 | | GTZ |
| Total | 1,708.4 | 6.59 | | 11,250,000 | |

Summary of Agency Shares

| Agency | Sector | Funding | |
|---------------|-----------------------------------|-------------------|-------------------------------|
| UNDP | Ref. Manufacturing | 770,000 | |
| UNIDO | Ref. Servicing/ Assembly/Solvents | 3,338,085 | plus transition study for MDI |
| FRANCE | MAC R&R | 1,506,620 | |
| UNEP | Regulations | 140,253 | |
| GTZ | Foam, MAC Training, Management | 5,495,042 | |
| | | 11,250,000 | |

Appendix 7-A

REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$13,180 per ODP tonne of reductions in consumption not achieved in the year.

Annex III

VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWALS OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 41st MEETING

Bahrain

1. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Bahrain and notes with appreciation that Bahrain reported data to the Ozone Secretariat that was lower than 1995-1997 CFC compliance baseline. Bahrain therefore appears to be in compliance with the CFC consumption freeze level. The Executive Committee also notes that within the framework of the institutional strengthening project, Bahrain has taken some significant steps to phase out the consumption of ODS. Specifically, the implementation of the ministerial order to control the consumption of ODS through licensing and import quota systems; enhanced awareness-raising activities with particular focus on companies and industries; encouraging stakeholders to use recovered and recycled CFCs. The Executive Committee greatly supports the efforts of Bahrain to reduce the consumption of CFCs. Furthermore, the Executive Committee is hopeful that, in the next two years, Bahrain will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Botswana

2. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Botswana and notes with appreciation that Botswana reported data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Botswana therefore appears to be in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Botswana has taken some significant steps to phase out its consumption of ODS. Specifically, organizing training workshops for customs officers; initiating action to establish methyl bromide regulations and to expedite its phase out; submitting the outstanding Amendments to Cabinet for approval and ratification; monitoring the recovery and recycling programme; and implementing awareness-raising activities. This is an encouraging development and the Executive Committee greatly supports the efforts of Botswana to reduce the consumption of CFCs. The Executive Committee is hopeful that, in the next two years, Botswana will continue with the implementation of its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Cameroon

3. The Executive Committee has reviewed the report presented with the institutional strengthening renewal request for Cameroon and notes with great concern that the consumption levels of halons and methyl bromide are above the baseline levels. Despite this, the Executive Committee recognizes that within the framework of the institutional strengthening project,

Cameroon has taken steps to phase out ODS consumption in the country, including the development of activities and legislation to control halons and the activities to phase out consumption of methyl bromide. The Executive Committee is therefore hopeful that, in the near future, Cameroon will fully implement all measures to control ODS and further reduce the consumption of all ODSs to the levels needed to ensure compliance with the Montreal Protocol.

Costa Rica

4. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Costa Rica and notes with appreciation that, the level of CFC consumption reported to the Ozone Secretariat in 2002, was lower than the 1995-1997 compliance baseline. Thus, Costa Rica is in compliance with the consumption freeze levels. The Executive Committee also notes that Costa Rica has taken some significant steps to phase out the consumption of ODS under the institutional strengthening project. Specifically, submission of Costa Rica's reports; improvement of the data collection system of ODS through the development of a reliable registry; approval of the project to eliminate methyl bromide as fumigant for several products; public awareness campaign through television, radio, newspapers and public presentations; training of technicians in refrigeration and air-conditioning; and the formulation of the refrigerant management plan. The Executive Committee is hopeful that in the next two years, Costa Rica will continue the implementation of its programmed activities with outstanding success in reducing the current consumption levels of CFCs, as well as work towards the elimination of methyl bromide.

Croatia

5. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Croatia and notes with appreciation that Croatia reported data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Croatia therefore appears to be complying with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Croatia has taken some significant steps to phase out the consumption of ODS. Specifically, organizing public awareness campaigns, such as developing a website on Ozone Layer Protection; and publication of articles on ozone issues in newspapers and magazines. Croatia also plans to make amendments and adjustments to the existing ODS legislation, as well as updates its ODS monitoring system. The Executive Committee greatly supports the efforts of Croatia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Croatia will continue to implement its country programme and refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Ethiopia

6. The Executive Committee has reviewed the information presented with the institutional strengthening renewal request for Ethiopia and notes with appreciation that Ethiopia has reported 2002 consumption data to the Ozone Secretariat that was lower than the 1995 – 1997 average CFC consumption. Ethiopia therefore appears now to be in compliance with the CFC

consumption freeze measures. The Executive Committee notes that Ethiopia has taken significant steps to phase out its ODS consumption in the period covered for its IS project. Specifically, in its submission, Ethiopia reports it has taken several initiatives, including the continuation of its awareness activities, the enhancement of ODS legislation, the completion of the R&R project, continued collecting and surveying of data on ODS consumption as well as the ratification of the amendments to the MP. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Ethiopia to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Ethiopia will continue to implement the country programme and the refrigerant management plan activities with outstanding success in the reduction of current CFC consumption levels.

Gambia

7. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for The Gambia and notes with appreciation that the ODS data reported to the Ozone Secretariat was lower than the 1995-1997 CFC compliance baseline. From the report, The Gambia is therefore complying with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, the Gambia has taken some significant steps to phase out the consumption of ODS. Specifically, completion of the retrofit training activities and initiating the countrywide incentive programme for the end-user sector. The Ozone Unit plans to organize more awareness-raising activities, such as distributing brochures, posters, leaflets on ozone issues, promoting the use of ODS alternatives to end users and organizing painting and essay writing competitions in schools. The ODS regulations will continue to be enforced and refresher training courses are also planned for customs officers. The Executive Committee greatly supports the efforts of The Gambia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, The Gambia will continue to implement of its country programme and refrigerant management plan activities with outstanding success in reducing the CFC consumption levels in the country.

Guinea

8. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Guinea and notes with appreciation that Guinea reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline levels. Guinea therefore was able to comply with the established CFC consumption freeze level. The Executive Committee also recognizes that within the institutional strengthening project, Guinea has taken some significant steps to phase out the consumption of ODS. Specifically, renewal of the refrigerant management plan; organizing training workshops for customs officers and refrigeration technicians; application of quota and licensing systems to ODS importation. Guinea plans to attain the 50% CFC consumption freeze target. The Executive Committee greatly supports the efforts of Guinea to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Guinea will continue to implement the country programme and refrigerant management plan activities with outstanding success in the reduction of CFC consumption levels.

India

9. The Executive Committee has reviewed the report presented with the institutional strengthening renewal request for India, and notes with appreciation that India reported data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline level. India is therefore in compliance with the CFC consumption freeze levels. The Executive Committee further recognizes that within the framework of the institutional strengthening project, India has taken some significant steps to phase out the consumption of ODS. Specifically, India has implemented 12 investment projects, including 3 terminal ones in the foam, aerosol and commercial refrigeration sectors and phased out 2649 ODP tonnes; in the 2003 plan, 3773 MT of CFC are proposed to be eliminated; the Copenhagen, Montreal and Beijing Amendments have been ratified; ODS regulation and control legislation has been passed; Awareness activities have been implemented; refrigeration and air-conditioning service sector and customs officers training has been approved, as well as other activities. The Executive Committee greatly supports the efforts of India to further reduce the consumption of CFCs and to commence the reduction in consumption of CTC. The Executive Committee is therefore hopeful that in the next two years, India will continue with the implementation of the country programme to reduce current ODS consumption levels.

Indonesia

10. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Indonesia, and notes with appreciation that Indonesia reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Indonesia for that matter is in compliance with the CFC consumption freeze levels. The Executive Committee further recognizes that within the framework of the institutional strengthening project, Indonesia has taken some significant steps to phase out the consumption of ODS. Specifically, public awareness campaigns have been organized; ODS data has been collected and reported; phase-out projects have been monitored. The Executive Committee greatly supports the efforts of Indonesia to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that in the next two years, Indonesia will continue with the implementation of the country programme and the refrigerant servicing sector activities to reduce the current CFC consumption levels in the country.

D.P.R. Korea

11. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for D.P.R. Korea and notes with appreciation that ODS data reported to the Ozone Secretariat was lower than the 1995-1997 CFC compliance baseline level. Thus, D.P.R. Korea appears to be in compliance with the CFC and CTC consumption freeze levels. In accordance with the country programme update, D.P.R. Korea has prepared a plan for the process agent, solvent and fumigant sectors. D.P.R. Korea has improved its ODS monitoring and control system by establishing control regulations and provisions, licensing systems; monitoring activities, and sustaining compliance through the implementation of activities under the refrigerant management plan. In addition, ongoing projects will be completed in 2 years and the existing production facilities of CFC-11, CFC-12 and CTC will be dismantled.

The Executive Committee supports the efforts of D.P.R. Korea to reduce the consumption of CFCs and also CTC. The Executive Committee is therefore hopeful that, in the next two years, D.P.R. Korea will continue with the implementation of its planned activities to maintain compliance with the provisions of the Montreal Protocol.

Malawi

12. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Malawi and notes with appreciation that Malawi reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline level. Malawi is therefore in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional strengthening project, Malawi has taken some significant steps to phase out the consumption of ODS. Specifically, organizing training workshops for customs officers and refrigeration technicians; undertaking of ozone awareness-raising activities; initiating project formulation and assessment of CTC and TCA consumption; developing a control system for ODS importation; initiating action for the ratification of the Beijing and Montreal Amendments. The Executive Committee greatly supports the efforts of Malawi to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Malawi will continue with the implementation of its country programme and refrigerant management plan activities to reduce the current CFC consumption levels.

Mozambique

13. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Mozambique and notes with appreciation that the ODS data reported to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline levels. Mozambique therefore is in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional strengthening project, Mozambique has taken some significant steps to phase out the consumption of ODS. Specifically, organizing training workshops for customs officers; strengthening the legal and regulatory systems on ODS control; and working on the ratification of the outstanding Amendments. The Executive Committee greatly supports the efforts of Mozambique to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Mozambique will continue with the implementation of its country programme and refrigerant management plan activities to reduce the consumption levels of CFCs in the country.

Namibia

14. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Namibia and notes with appreciation that Namibia has reported 2002 consumption data to the Ozone Secretariat that was lower than the 1995 – 1997 average CFC consumption. Namibia therefore appears now to be in compliance with the CFC consumption freeze measures. The Executive Committee recognizes that within the framework of the institutional strengthening project, Namibia has taken significant steps to phase out ODS

consumption. Specifically, intensified awareness-raising activities; monitoring of the recovery and recycling programme; completing training components; ratification of the outstanding Amendments to the Montreal Protocol. These and other activities are encouraging and the Executive Committee greatly appreciates the efforts of Namibia to reduce the consumption of CFCs. The Executive Committee expressed the expectation that, in the next two years, Namibia will continue to implement the approved ODS phase out projects with outstanding success in the reduction of current ODS consumption levels.

Niger

15. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Niger and notes with appreciation that Niger reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Niger therefore is in compliance with the CFC consumption freeze levels. The Executive Committee also notes that within the framework of the institutional strengthening project, Niger has taken some significant steps to phase out its consumption of ODS. Specifically, organizing training workshops for customs officers and refrigeration technicians; strengthening of the legal and regulatory systems on ODS control; continuing the awareness-raising activities such as, seminars and debates on ozone issues; increased collaboration with non-governmental organizations and university professors. The Executive Committee greatly supports the efforts of Niger to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Niger will continue with the implementation of its country programme and refrigerant management plan activities to reduce the current CFC consumption levels in the country.

Pakistan

16. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request from Pakistan and notes with appreciation that Pakistan reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Pakistan for that matter is in compliance with the CFC consumption freeze levels. The Executive Committee further recognizes that within the framework of the institutional strengthening project, Pakistan has taken some significant steps to phase out the consumption of ODS. Specifically, exemption permits on imported ozone friendly equipment for phase-out projects have been issued; monitoring visits to ODS phase-out projects have taken place; two ODS phase-out projects were completed in 2002; ODS data collection and reporting has continued; awareness activities have been implemented. The Executive Committee greatly supports the efforts of Pakistan to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that in the next two years, Pakistan will continue with the implementation of the country programme and to reduce current CFC and CTC consumption levels in the country.

Papua New Guinea

17. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Papua New Guinea, and notes with appreciation that Papua New Guinea reported ODS data to the Ozone Secretariat that was lower than the

1995-1997 CFC compliance baseline. Papua New Guinea for that matter is in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional strengthening project, Papua New Guinea has taken some significant steps to phase out the consumption of ODS. Specifically, awareness raising campaign, including the celebration of Ozone Day and radio, television and public discussions; enforcement of a regulation requiring permit to import ODS; banning new halon and aerosol containing CFCs; data collection and reporting; training of trainers and best practices..

18. The Executive Committee greatly supports the efforts of Papua New Guinea to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that in the next two years, Papua New Guinea will continue with the implementation of the country programme and the refrigerant management plan activities to reduce current CFC consumption levels in the country.

Qatar

19. The Executive Committee has reviewed the report presented with the institutional strengthening renewal request for Qatar and notes with great concern that Qatar is presumed to be in non-compliance with the control measures under the Montreal Protocol. Despite this, Executive Committee recognizes that within the framework of the institutional strengthening project, Qatar has taken some steps to phase out the consumption of ODS. The Executive Committee is therefore hopeful that, in the near future, Qatar will fully implement all measures to control ODS and further reduce the consumption of all ODSs to the levels needed to ensure compliance with the Montreal Protocol.

Senegal

20. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Senegal and notes with appreciation that Senegal reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Senegal is therefore in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional strengthening project, Senegal has taken some significant steps to phase out the consumption of ODS. Specifically, organizing training workshops for refrigeration technicians; implementing legal and regulatory systems on ODS control; establishing a recovery and recycling data bank; and organizing awareness programme on methyl bromide. The Executive Committee greatly supports the efforts of Senegal to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Senegal will continue with the implementation of its country programme and refrigerant management plan activities to reduce current CFC consumption levels in the country.

Swaziland

21. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Swaziland and notes with appreciation that Swaziland reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Swaziland is therefore in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional

strengthening project, Swaziland has taken some significant steps to phase out the consumption of ODS. Specifically, organizing training workshops for customs officers and refrigeration technicians; initiating action to phase out methyl bromide, submitting a memo to Cabinet for the ratification of the Amendments; establishing an ODS consultative group with relevant stakeholders; continuing monitoring the recovery and recycling strategy. The Executive Committee greatly supports the efforts of Swaziland to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Swaziland will continue with the implementation of the country programme and refrigerant management plan activities to reduce current CFC consumption levels in the country.

Yemen

22. The Executive Committee has reviewed the report presented with the institutional strengthening project renewal request for Yemen and notes with appreciation that Yemen reported ODS data to the Ozone Secretariat that was lower than the 1995-1997 CFC compliance baseline. Yemen for that matter is in compliance with the CFC consumption freeze levels. The Executive Committee also recognizes that within the framework of the institutional strengthening project, Yemen has taken some significant steps to phase out the consumption of ODS. Specifically, intensifying awareness-raising programme in various major towns, establishing ODS control, monitoring and licensing systems; and continuing the ongoing refrigerant management plan, aerosol and training projects; preparing reports for the reporting requirements. The Executive Committee greatly supports the efforts of Yemen to reduce the consumption of CFCs. The Executive Committee is therefore hopeful that, in the next two years, Yemen will continue with the implementation of its country programme and refrigerant management plan activities to reduce current CFC consumption levels in the country.

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Annex IV**AGREED CONDITIONS FOR PHASE-OUT OF METHYL BROMIDE IN HORTICULTURE: TOMATOES AND CUT FLOWERS IN BOSNIA AND HERZEGOVINA (DRAFT)**

1. The Executive Committee agrees to approve in principle US \$229,000 as the total funds that will be available to achieve commitments stipulated in this document for the phase-out of the use of methyl bromide in Bosnia and Herzegovina, subject to the following understandings and considerations.

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 compliance for Bosnia and Herzegovina is 3.5 ODP tonnes, and the methyl bromide consumption for 2002 is 11.8 ODP tonnes. Therefore, Bosnia and Herzegovina will not be able to meet the 2002 methyl bromide freeze. However, the Government of Bosnia and Herzegovina commits to a permanent national reduction in aggregate consumption of controlled uses of methyl bromide to no more than the following levels:

11.8 ODP tonnes in 2002

5.6 ODP tonnes in 2005 and 2006 (reduction of 6.2 ODP tonnes)

0.0 ODP tonnes in 1 January 2007 (reduction of 5.6 ODP tonnes)

3. In addition, Bosnia and Herzegovina commits to sustain the phase-out of methyl bromide by banning its use as a soil fumigant in tobacco seedlings, horticulture, cut flowers and other crops. The specific reductions in consumption noted above would be those achieved through this project. Reductions in accordance with the terms of this project, and the other commitments presented in the project document, will ensure that Bosnia and Herzegovina exceeds subsequent phase-out requirements of the Montreal Protocol.

4. The Government of Bosnia and Herzegovina has reviewed the consumption data identified in this project and is confident that it is correct. Accordingly, the Government is entering into this agreement with the Executive Committee on the understanding that, should further MB consumption in addition to that indicated in paragraph 2 above (11.8 ODP tonnes) be identified at a later date, the responsibility to ensure its phase-out will lie solely with the Government.

5. The Government of Bosnia and Herzegovina will have flexibility in implementing the project components which it deems more important in order to meet its phase-out commitment noted above.

6. UNIDO shall report annually to the Executive Committee on progress achieved in meeting the reductions required by this project. UNIDO agrees to manage the funding for this project in a manner designed to ensure that the specific annual reductions agreed are met.

Annex V

DRAFT AGREEMENT BETWEEN BOSNIA AND HERZEGOVINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE NATIONAL ODS PHASE-OUT PLAN

1. This Agreement represents the understanding of Bosnia and Herzegovina (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 31 December 2007.
2. The Country agrees to phase out the controlled use of the Substances in refrigeration, foam and solvent sectors in accordance with the annual phase-out targets set out in row 1A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the action plan approved by the XVth Meeting of the Parties to the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (1) That the Country has met the Target for the applicable year;
 - (2) That the meeting of these Targets has been independently verified as described in paragraph 9; and
 - (3) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (4) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

8. Specific attention will be paid to the implementation of the activities in the refrigeration servicing sector, in particular:

- (1) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (2) The recovery and recycling programme would be funded in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results from the programme are not achieved, and would be closely monitored in accordance with Appendix 5-A of this agreement; and
- (3) The recovery and recycling programme should not commence until the legislation controlling CFC imports is in place and measures have been taken to ensure that the local market prices of CFCs and non-ODS refrigerants are similar;

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 fulfill the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in refrigeration, foam and solvent Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding

Disbursement 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.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The substances

| | | |
|----------|-----------|----------------|
| Annex A: | Group I | CFC-11, CFC-12 |
| Annex B: | Group III | TCA |

Appendix 2-A: The targets, and funding

| | 2003(*) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|---------|---------|---------|------|------|------|------|------|
| 1. Max allowable total consumption of Annex B Group III substance (ODP tonnes) | 24.2 | 24.2 | 12.1 | 12.1 | 3.6 | 3.6 | 3.6 | 0 |
| 1A. Max agreed total consumption of Annex A Group I substances (ODP tonnes) | 235.3 | 167.0 | 102.1 | 33.0 | 3.0 | 0 | 0 | 0 |
| 2. Reduction from ongoing projects | | 68.3 | 47.0 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under plan | | 0 | 17.9 | 69.1 | 30.0 | 3.0 | 0 | 0 |
| 4. Total annual reduction of first substance (ODP tonnes) | | 68.3 | 64.9 | 69.1 | 30.0 | 3.0 | 0 | 0 |
| 5. Max allowable total consumption of second substance/sector (ODP tonnes) | 1.7 | 1.7 | 1.1 | 0 | 0 | 0 | 0 | 0 |
| 6. Reduction from ongoing projects | - | 0.6 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. New reduction under plan | - | 0 | 1.1 | 0 | 0 | 0 | 0 | 0 |
| 8. Total annual reduction of second substance (ODP tonnes) | - | 0.6 | 1.1 | 0 | 0 | 0 | 0 | 0 |
| 9. Lead I.A. agreed funding | 265,300 | 295,860 | 303,000 | 0 | 0 | 0 | 0 | 0 |
| 10. Lead I.A. support costs | 19,898 | 22,190 | 22,725 | 0 | 0 | 0 | 0 | 0 |
| 11. Total agreed funding (US \$) | 285,198 | 318,050 | 325,725 | 0 | 0 | 0 | 0 | 0 |

(*) Estimated consumption figure

Appendix 3-A: Funding disbursement schedule

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

Appendix 4-A: Form of annual implementation programme

1. **Data**

Country

Year of plan

of years completed

of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

2. **Targets**

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. **Industry Action**

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. **Technical Assistance**

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. **Government Action**

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. **Annual Budget**

| Activity | Planned Expenditures (US \$) |
|----------|------------------------------|
| | |
| | |
| Total | |

7. **Administrative Fees**

Appendix 5-A: Monitoring institutions and roles

Organization of the NPP management, roles and responsibilities of stakeholders

| Description | Role and responsibilities for implementation | |
|--|--|--|
| | Operational activities | Consideration and adoption |
| Initiation and preparation of the Environmental Legislation: Framework Low on Environmental Protection | - State Ministry of Foreign Trade and Economic Relations (MoFTER) - Entity Ministries of Environment (EMoE) | - State Government (Council of Ministers) - State Parliament |
| Monitoring and ODS consumption control system | - National Ozone Unit (NOU) - MoFTER | - Entity Governments - Council of Ministers |
| <ul style="list-style-type: none"> • ODS License and Quota system | - NOU - EMoE - MoFTER | - MoFTER - Council of Ministers |
| <ul style="list-style-type: none"> • Regulation on import and export of equipment containing the ODSs | - NOU - EMoE - MoFTER | - MoFTER - Council of Ministers - Entity Parliaments - State Parliament |
| Preparation and implementation of ODS phase-out investment projects | - NOU - Projects beneficiaries - International Implementation Agency (UNIDO) | - Council of Ministers - Executive Committee of the Multilateral Fond (Ex-Com) |
| Implementation of Refrigerant Management Plan project | - NOU - Projects beneficiaries - EMoE - UNIDO | |
| Awareness development | - NOU - EMoE - MoFTER - Cantonal Ministries of Environment | |
| Reporting on ODS consumption and implementation of the Montreal Protocol and NPP | - NOU on behalf of the BiH State | - National Sub-committee for Ozone Layer Protection - National Ozone Focal Point - National Steering Committee for Environment and Sustainable Development (information) |

Monitoring and evaluation

The above table provides a clear description of the management structure for the implementation of the NPP and tasks/responsibilities of each institutional and organizational unit (department or division of the government administration at all levels - State, Entities, Breko District, Cantons - Regions) in BiH and the type and frequency of reporting, as well as provision of independent evaluation/confirmation of the achievement of performance targets/goals specified in the NPP for Bosnia and Herzegovina - local and international evaluations and confirmations proposed.

For the servicing sector programme, the following information will be collected from recycling centers and workshops. Data and information collected will be analyzed to check the adequate operations of the scheme.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type of these appliances at every service workshop,
- Amount of recovered CFC refrigerants at every workshop,
- Amount of recovered CFC refrigerants sent to the recycling centers at every workshop,
- Amount of recovered CFC refrigerants stored at every workshop,
- Amount of recovered CFC refrigerants received from service workshops at every recycling center,
- Amount of recycled CFC refrigerants at recycling centers,
- Amount of recycled CFC refrigerants returned (sold) to workshops,
- Amount of recycled CFC refrigerants used in workshops and its application,
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad)
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost,
- Cost of recycling at every recycling center and parties who bear the cost,
- Price of recycled CFC refrigerants,
- Other financial information relevant to monitoring the recovery and recycling scheme.

Appendix 6-A: Role of the lead implementing agency

UNIDO will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (1) 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;
- (2) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (3) Assisting the Country in preparation of the Annual Implementation Programme;
- (4) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (5) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;
- (6) Ensuring that technical reviews undertaken by the Lead IA are carried out by

- appropriate independent technical experts;
- (7) Carrying out required supervision missions;
 - (8) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
 - (9) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
 - (10) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
 - (11) Providing assistance with policy, management and technical support when required.

Appendix 7-A: Reductions in funding for failure to comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$10,010 per ODP tonne of reductions in consumption not achieved in the Plan.

Annex VI

DRAFT AGREEMENT BETWEEN COLOMBIA AND THE EXECUTIVE COMMITTEE FOR THE NATIONAL PHASE-OUT OF ANNEX A (GROUPS I AND II) SUBSTANCES

1. This Agreement represents the understanding of the Republic of Colombia (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone- depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 2010 compliance with Protocol schedules.

2. The Country agrees to phase out the controlled use of the Substances in Annex A (Groups I and II) of the Montreal Protocol in accordance with the annual phase-out targets set out in row 1A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.

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 9 of Appendix 2-A (the “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 Disbursement Schedule”).

4. The Country will meet the consumption limits for each Substance as indicated in row(s) 1-A and 5-A in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.

5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:

- (1) That the Country has met the Target for the applicable year;
- (2) That the meeting of these Targets has been independently verified as described in paragraph 9;
- (3) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
- (4) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (1) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (2) The technician-licensing programme for the refrigeration and air conditioning service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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. UNDP (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in Annex A Groups I and II of the Montreal Protocol 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 Disbursement Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 tonnes of reductions in consumption not achieved in any one year.

11. 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.

12. The Country will comply with any reasonable request of the Executive Committee and the Lead Implementing Agency to facilitate implementation of this Agreement. In particular, it will provide access by the Lead Implementing Agency to information necessary to verify compliance with this Agreement.

13. 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 Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The substances

| | | |
|----------|----------|---|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115 |
| | Group II | Halons |

Appendix 2-A: The targets, and funding

| | 2003 (1) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-----------|----------|-----------|----------|--------|--------|--------|--------|
| 1. Max allowable total consumption of Annex A Group I substances (ODP tonnes) | 2,208.00 | 2,208.00 | 1,104.00 | 1,104.00 | 331.20 | 331.20 | 331.20 | 0.00 |
| 1-A. Max agreed total consumption of Annex A Group I substances (ODP tonnes) | 1,083.35 | 1,057.45 | 1,020.45 | 750.00 | 330.80 | 247.80 | 152.50 | 0.00 |
| 2. Reduction from ongoing projects | | 25.90 | 0.00 | 132.80 | 123.20 | 0.00 | 0.00 | 0.00 |
| 3. New reduction under plan | | | 37.00 | 137.65 | 296.00 | 83.00 | 95.30 | 152.50 |
| 4. Total annual reduction of Annex A Group I substances (ODP tonnes) (2) | | 25.90 | 37.00 | 270.45 | 419.20 | 83.00 | 95.30 | 152.50 |
| 5. Max allowable total consumption of Annex A Group II substances (ODP tonnes) | 187.70 | 187.70 | 93.85 | 93.85 | 93.85 | 93.85 | 93.85 | 0.00 |
| 5-A. Max agreed total consumption of Annex A Group II substances (ODP tonnes) | 4.40 | 4.40 | 4.40 | 4.40 | 3.30 | 2.20 | 1.10 | 0.00 |
| 6. Reduction from ongoing projects | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7. New reduction under plan | | 0.00 | 0.00 | 0.00 | 1.10 | 1.10 | 1.10 | 1.10 |
| 8. Total annual reduction of second substance (ODP tonnes) (2) | | 0.00 | 0.00 | 0.00 | 1.10 | 1.10 | 1.10 | 1.10 |
| 9. Lead I.A. agreed funding | 2,146,820 | | 2,353,180 | | | | | |
| 10. Lead I.A. support costs | 161,012 | | 176,488 | | | | | |
| 13. Total agreed funding (US \$) | 2,307,832 | | 2,529,668 | | | | | |

(1) As of January 2003. Applicable to all the years.

(2) Total annual reduction to be verified as of 1 January of the year heading the column.

Appendix 3-A: Funding disbursement schedule

Funding will be submitted for approval at the last meeting of the year previous to the starting year of the bi-annual plan. Due to the level of funding involved, only two submissions for funding are being proposed. The schedule of submissions for funding will be:

| Year | Milestones | Disbursement |
|-------|--|--------------|
| 2003 | Signature of agreement | 2,146,820 |
| 2005 | Yearly CFC consumption target achieved for 2005: 1020.45 ODP tonnes. Phase out achieved during 2005: 270.45 ODP tonnes. CRM project successfully completed First batch of legal measures (CFC Import Licensing System) already designed, agreed upon and about to be enacted Technician-licensing scheme already designed, technician licensing procedures started, equipment & tools procured Information campaign already designed and being implemented Monitoring programme already designed and being implemented HBMP system design, registry of halon users and code of Good Practices completed, HBMP under operation | 2,353,180 |
| Total | | 4,500,000 |

Appendix 4-A: Form of annual implementation programme

1. **Data**

Country _____
 Year of plan _____
 # of years completed _____
 # of years remaining under the plan _____
 Target ODS consumption of the preceding year _____
 Target ODS consumption of the year of plan _____
 Level of funding requested _____
 Lead implementing agency _____

2. **Targets**

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. Industry Action

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. Technical Assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|----------|------------------------------|
| | |
| | |
| Total | |

7. Administrative Fees

Appendix 5-A: Monitoring institutions and roles

1. All the monitoring activities will be coordinated and managed through the project "Technical Assistance for Implementation and monitoring", which is included within this NPP. The actual monitoring activities will be delegated to the Autonomous Regional Corporations (CARs) of the Ministry of Environment, which are located in 5 different regions of the country: Bogotá, Barranquilla, Cali, Medellín and Pereira.

2. The CARs will coordinate the monitoring activities with the corresponding public and private organizations according to their respective roles within the NPP, which are described in chapter 5, section 3 of the project document.
3. The Implementing Agency will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the NPP. This organization will also undertake the challenging task of monitoring and controlling illegal ODS imports in to country.
4. The certification organizations that operate in the country at the moment (Icontec and the Superintendence of Industry and Commerce) will also have a major participation in the design and implementation of monitoring activities.
5. The success of the monitoring programme will be based on three axis: 1) Well designed forms for data collection, evaluation and reporting, 2) Regular programme of monitoring visits, and 3) Appropriate cross-checking of information from different sources.
6. Each of the different projects within the NPP will need a different monitoring sub-programme suited to the objectives of the project. A more detailed description of the different monitoring sub-programme is included in the project "Technical Assistance for Implementation and monitoring", in Annex IX of the project document.

Verification and Reporting

7. The outcome of the different elements of the NPP and of the monitoring activities will be verified independently by an external organization. The Government and the independent organization will jointly design the verification procedures as part of the design phase of the monitoring programme.

Institution for conducting the verification:

8. The Government of Colombia wishes to designate UNDP as the independent organization to carry out the verification of the NPP results and the monitoring programme.

Frequency of verification and reporting:

9. The monitoring reports will be produced and verified each year, previous to the first meeting of the Executive Committee. These reports will produce the input for the yearly implementation reports required by the Executive Committee.

Appendix 6-A: Role of the lead implementing agency

The Lead Implementing Agency will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (1) 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;
- (2) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Annual Implementation Programme;
- (3) Assisting the Country in preparation of the Annual Implementation Programme;
- (4) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (5) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the year 2004 to be prepared and submitted in year 2003;
- (6) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the lead Implementing Agency;
- (7) Carrying out required supervision missions;
- (8) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (9) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (10) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (11) Providing assistance with policy, management and technical support when required.

Appendix 6-B: Role of cooperating implementing agencies

No cooperating implementing agency is involved in the implementation of this plan.

Appendix 7-A: Reductions in funding for failure to comply

In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,169 per ODP tonne of reductions in consumption not achieved in the year.

Annex VII

DRAFT AGREEMENT BETWEEN ECUADOR AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF CFCs

1. This Agreement represents the understanding of Ecuador (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in all Sectors in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
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 5 of Appendix 2-A (the “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 Substance as indicated in row 1 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9;
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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. The World Bank (the “Lead IA”) has agreed to be the lead and sole implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all Sectors 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The Substances

1. The ozone-depleting substances to be phased out under the Agreement are listed below.

| | | |
|----------|---------|---|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113 CFC 114 and CFC-115 |
| Annex B: | Group I | CFC-13 |

Appendix 2-A: The Targets, and Funding

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-------|---------|---------|---------|---------|--------|------|------|
| Montreal Protocol Reduction Schedules | 301.4 | 301.4 | 150.7 | 150.7 | 45.2 | 45.2 | 45.2 | 0 |
| 1. Max allowable total consumption of first substance/sector (ODP tonnes) | 246 | 235 | 150 | 80 | 42 | 21 | 21 | O* |
| 2. Reduction from ongoing projects | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under plan (ODP tonnes) | 0 | 11 | 85 | 70 | 38 | 21 | 21 | 0 |
| 4. Total annual reduction of first substance (ODP tonnes) | 0 | 11 | 85 | 70 | 38 | 21 | 21 | 0 |
| 6. Lead I.A. agreed funding | | 777,326 | 439,319 | 227,410 | 227,411 | 18,334 | 0 | 0 |
| 7. Lead I.A. support costs | | 58,300 | 32,349 | 17,055 | 17,056 | 1,375 | 0 | 0 |
| 8. Total agreed funding (US \$) | | 835,626 | 471,668 | 244,465 | 244,467 | 19,709 | 0 | 0 |
| 9. Total agency support costs (US \$) | | 58,300 | 32,349 | 17,055 | 17,056 | 1,375 | 0 | 0 |

* Except essential uses agreed upon by the Parties

Appendix 3-A: Funding Approval Schedule

2. The timing of submission for funding of annual implementation plans is as follows:
- (a) Funding will be considered for approval at the first meeting of the year of the annual implementation programme, except for the 2004 annual implementation programme which is submitted to be considered for approval at the last meeting of the year preceding the annual programme (at the 41st Meeting).

Appendix 4-A: Form of Annual Implementation Programme

1. Data

Country _____
 Year of plan _____
 # of years completed _____
 # of years remaining under the plan _____
 Target ODS consumption of the preceding year _____
 Target ODS consumption of the year of plan _____
 Level of funding requested _____
 Lead implementing agency _____

2. Targets

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. Industry Action

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. Technical Assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|----------|------------------------------|
| | |
| | |
| Total | |

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

(as developed in the project document)

The project management team will assist MICIP to carry out the following tasks:

- Set up a web site with a list of importers, their annual quotas, and the actual amount already imported within the current calendar year;
- Update the information on the actual amount of imported CFCs with the Custom Department on a quarterly basis;
- Monitor import of HFC-134a, HCFC-22, and HCFC-141b;
- Train MICIP state officers to identify and monitor CFC use at the enterprise level;
- Inspect warehouse of CFCs, HCFCs, and HFC-134a importers;
- Report any incidents of illegal import of CFCs;
- Carry out safety and technical audits of all projects undertaken under this plan;
- Update the consumption data at the end-user level once every two years and prepare a revised strategy, if necessary, for MICIP;
- Prepare progress reports and annual work plans for submission to the Executive Committee;
- Maintain good account of all the expenditure incurred by this project.

Appendix 6-A: Role of the Lead Implementing Agency

3. The Lead Implementing Agency will be responsible for the following:

- (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme;

- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2003;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinate the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

Appendix 7-A: Reductions in Funding for Failure to Comply

4. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$6,950 per ODP tonne of reductions in consumption not achieved in the year.

Annex VIII

**JAPAN'S COMMENTS ON CTC PHASE-OUT FOR THE CONSUMPTION AND
PRODUCTION SECTORS IN INDIA
(UNEP/OzL.Pro/ExCom/41/36)**

1. My delegation wishes to introduce its comments on the India CTC phase-out project proposal submitted by the World Bank. Japan is in consultation with our partners, the World Bank, to amend this project proposal and France and Germany are requesting the Japanese comments be reflected in this document.
2. With regard to Appendix 2-A “the Target and Funding” in the document at page 5 of the Agreement between India and the Executive Committee of the Multilateral Fund for the phase-out of consumption and production of carbon tetrachloride (CTC), we propose that the support cost of the Japanese component be US \$650,000 as a 13 per cent of project fee, instead of the current US \$560,000 or 11 per cent. So far, the Executive Committee has discussed the amount of support costs and has made some decisions. However, any decisions have never regulated the percentage of support costs for the bilateral agencies. Our understanding is that 13 per cent of support costs applied to bilateral projects.
3. We would also like to amend the budget allocation in Appendix 2-A of document UNEP/OzL.Pro/ExCom/41/36. In the current document in the Japan component, US \$2.5 million is allocated to both 2004 and 2005. As the Protocol demands CTCs to be reduced by 85 per cent by 1 January 2005, most CTC phase-out projects had to be completed by the end of 2004 to meet the Protocol mandate. The budget for 2005 should be diverted to 2004 and we request that the Japan component budget have US \$5 million in 2004 and US \$0 in 2005.
4. Appendix 3-A in the same document is about “the Funding Approval Schedule”. It says “The annual funding as shown in Appendix 2-A will be considered for approval at the second meeting of the year of the annual plan.” Again, many of the phase-out projects have to be completed by the end of 2004. If we are to follow this clause, we have to wait for the funding until July 2004 before starting the projects and complete them by 2005 which is quite a tight schedule. We would like the annual funding approval to be scheduled at the first meeting of the annual plan instead of the second meeting.
5. As regards to programme support for bilateral agencies, we do not consider that the rates of reimbursement for the multi-national implementing agencies apply to bilateral agencies. Although we are aware that the Meeting of the Parties in Cairo called for a lower rate than 13 per cent, we are not of the view that that decision specifically addressed the support costs for bilateral agencies. Pending for a thorough review of the rates of the programme support reimbursement for the bilateral donors, we propose applying a 13 per cent flat rate to bilateral agencies in this project.
6. As regards to the role of lead agency, in Appendix 6-A, we do not agree to the addition of the words “within the preview of the World Bank.” We consider the wording is too restrictive and self-contradictory as it means that the World Bank will coordinate overall verification

exercises, while it denies its responsibility to exercise such a role on the matters of other competence.

7. We also have to point out, that the provision (where the Parties fail to honour the commitment) is not properly specified. The sentence in paragraph 12 is not strong enough to indicate, that the Executive Committee could not provide the level of funding in the agreement if the country fails to honour its commitment under the agreement. The model provision in paragraph 9 in the standard draft agreement should replace paragraph 12 in this respect.

8. With regards to paragraph 15, this is reproduced from the standard provision annexed to the guidelines for the performance-based agreements in UNEP/OzL.Pro/ExCom/38/57/Rev.1. However, we do not recollect that such an agreement was made in the Executive Committee. Such a provision would seriously undermine the very purpose of the performance-based agreements which is to ensure Article 5 Parties' compliance commitment by a contractual agreement with the Executive Committee for more than what is stated under the Protocol.

9. My delegation would also like to introduce comments on the Secretariat's views of this project:

- (a) We do not agree the deletion of the caveat in paragraph 2 retreats "except to the extent the performance target conformed to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee". We believe that this caveat intends to enable the Multilateral Fund to avoid marinating its commitment under the performance-based agreement. If this commitment is literally maintained, the performance-based agreement might result in excessive financing or in orderly financial to such Article 5 country in a state of non-compliance before the Meeting of the Parties takes appropriate measures to bring such Party into compliance. In this regard, it should be noted that Decision XIV/37 of the Meeting of the Parties on the interaction between the Executive Committee and the implementing agencies specifies the Multilateral Fund operates under the authority of the Parties, and it is assumed that any action plan endorsed by the Parties will serve as a guide for the Executive Committee's action regarding Article 5 Parties in non-compliance. It is for this reason that the Executive Committee adopted such a caveat in the guidelines for the performance-based agreement in the Decision 38/65.
- (b) Although the Secretariat recommends that our proposal describe the separate targets for 2003 and 2004 on agency and category basis, the Montreal Protocol does not set targets for 2003 and 2004 on CTCs and no target penalty should be imposed for 2003 and 2004 performance.

Annex IX

**DRAFT AGREEMENT BETWEEN LIBYAN ARAB JAMAHIRIYA AND THE
EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE
PHASE-OUT OF OZONE-DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of Libya (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substances in the sectors set out in Appendix 1-A (the Substances) Annex A Group I of the Montreal Protocol prior to 1st January 2010.
2. The Country agrees to phase out the controlled use of the Substances in accordance with the annual phase-out targets set out in Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol. 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 the Substances.
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 Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the

form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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 fulfill the obligations under this Agreement. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 6 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the sectors listed in para 2 above 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 installment of Funding under the Funding Disbursement 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.

11. 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.

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

13. 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 Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The Substances

The ozone-depleting substances to be phased out under the Agreement are listed below.

| | | |
|----------|---------|--|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113, CFC-114 and CFC-115 |
|----------|---------|--|

Appendix 2-A: The Targets and Funding

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|------------------|-------|----------------|----------------|-------|----------|------|
| Montreal Protocol Reduction Schedule * | 710.0 | 610.0 | 358.0 | | 107.0 | | 0 |
| 1. Max allowable total consumption of CFC | 700.0 | 461.0 | 300.0 | 176.0 | 52.0 | 11.6 | 0 |
| 2. Reduction from ongoing projects | 239.0 | 10.5 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under the plan | 0 | 150.5 | 124.0 | 124.0 | 40.4 | 11.6 | 0 |
| 4. Total annual reduction of CFC | 239.0 | 161.0 | 124.0 | 124.0 | 40.4 | 11.6 | 0 |
| 5. UNIDO agreed funding | 1,500,000 | | 720,000 | 277,947 | 0 | 0 | |
| 6. UNIDO support cost | 112,500 | | 54,000 | 20,846 | 0 | 0 | |
| 7. Total agreed funding | 1,612,500 | | 774,000 | 298,793 | | 0 | |

*Note: * According to the Action Plan approved at the Fifteenth Meeting of the Parties to the Montreal Protocol.*

Appendix 3-A: Funding Disbursement Schedule

1. Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

Appendix 4-A: Form of Annual Implementation Programme

1. Data

Country _____
 Year of plan _____
 # of years completed _____
 # of years remaining under the plan _____
 Target ODS consumption of the preceding year _____
 Target ODS consumption of the year of plan _____
 Level of funding requested _____
 Lead implementing agency _____

2. Targets

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. Industry Action

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. Technical Assistance

Proposed Activity: _____
 Objective: _____
 Target Group: _____
 Impact: _____

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|----------|------------------------------|
| | |
| | |
| Total | |

7. Administrative Fees

Appendix 5-A: Monitoring Institutions and Roles

1. The monitoring process will be covered by the Ministry of Environment through the National Ozone Unit (NOU) and Implementation Team.
2. The consumption will be monitored through receiving the data from Customs Department and crosschecking it with the data to be permanently collected from the distributors and consumers. At the same time, NOU and Implementation team will also be responsible for preparing the national Monitoring Plan of the implementation of the Plan to phase-out the Substances.
3. The reporting process will be responsibility of both the NOU and the Implementation Team. They have to timely collect and analyze all information and regularly submit the following reports:
 - (a) Annual reports on consumption of the Substances to be submitted to the Ozone Secretariat (NOU);
 - (b) Annual reports on progress of implementation of NPP to be submitted to the Executive Committee of the Multilateral Fund;
 - (c) Project-related reports to UNIDO.
4. Concerning the evaluation process, the Ministry of Environment and UNIDO will select and hire an independent consultant who will work in close cooperation with the Implementation team to evaluate the progress, quality and performance of the implementation of the Plan to phase out the Substances.
5. The consultant will have full access to all financial and technical data and information concerning the implementation of the Plan to phase out the Substances for reliable data collection and cross checking.

6. The consultant will prepare and submit to UNIDO reports of activities on a quarterly basis and the reports on the status of implementation of the Plan to phase out the Substances and consumption figures on a half – yearly basis. After consideration by UNIDO the reports will be sent to the NOU and the Implementation team for consideration and follow up.
7. The responsibilities of the consultant will also include:
 - (a) Development of recommendations for improvements/adjustments of the Plan to phase out the Substances;
 - (b) Take into consideration comments from UNIDO and the NOU and the Implementation Team to the reports and react accordingly;
 - (c) Assist in the organization and participate in possible evaluation visits by UNIDO or the Multilateral Fund Secretariat.
8. On the other hand, UNIDO should:
 - (a) Provide the independent consultant with all relevant information;
 - (b) Provide the consultant with necessary support and advice;
 - (c) Timely consider and comment the submitted reports and issue recommendations the to Implementation Team;
 - (d) Control the performance of both the consultant and the Implementation Team in a most suitable manner.

Appendix 6-A: Role of the Lead Implementing Agency

1. UNIDO will be responsible for a range of activities to be specified in the project document along the lines of the following:
 - (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;

- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for 2004;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Co-ordinate the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

Appendix 7-A: Reductions in Funding for Failure to Comply

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$11,000 ODP tonnes of reductions in consumption not achieved in the year.

Annex X

**DRAFT AGREEMENT BETWEEN VENEZUELA AND
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES**

1. This Agreement represents the understanding of Venezuela (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A (the “Substances”) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of all Sectors in accordance with the annual phase-out targets set out in row 1 of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 5 of Appendix 2-A (the “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 Disbursement Schedule”).
4. The Country will meet the consumption limits for each Substance as indicated in row 1 in Appendix 2-A (Maximum allowable consumption). It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 9 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 9; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in all the Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

11. 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.
12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA to information necessary to verify compliance with this Agreement.
13. 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 Protocol unless otherwise defined herein.

Appendix 1-A

THE SUBSTANCES

1. The ozone-depleting substances to be phased out under the Agreement are as follows.

| | | |
|----------|---------|---|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115 |
|----------|---------|---|

Appendix 2-A

THE TARGETS AND FUNDING

| Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-----------|---------|-----------|-----------|---------|------|------|------|
| Montreal Protocol Reduction Schedule | 3,322 | 3,322 | 1,661 | 1,661 | 498 | 498 | 498 | 0 |
| 1. Max allowable consumption | 1,750 | 1,694 | 1,421 | 1,171 | 498 | 398 | 265 | 0 |
| 2. Reduction from ongoing projects | 312 | 56 | 136 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under the present plan | 0 | 0 | 138 | 250 | 673 | 100 | 133 | 265 |
| 4. Total annual reduction of CFC | 312 | 56 | 273 | 250 | 673 | 100 | 133 | 265 |
| 5. Lead I.A. agreed funding | 998,096 | 902,065 | 1,613,465 | 2,113,465 | 613,465 | | | |
| 6. Lead I.A. support costs | 74,857 | 67,655 | 121,010 | 158,510 | 46,010 | | | |
| 7. Total agreed funding (US \$ million)** | 1,072,953 | 969,720 | 1,734,475 | 2,271,975 | 659,475 | | | |
| 8. Total agency support costs (US \$ million) | 74,857 | 67,655 | 121,010 | 158,510 | 46,010 | | | |

** Funding for the 2004 annual implementation programme amounts to a total of US \$2,042,673 to be requested in two instalments of US \$1,072,953 and US \$969,720 at the 41st and 42nd meetings respectively, based on UNIDO's 2003 and 2004 business plan allocations for Venezuela.

Appendix 3-A

FUNDING DIBURSEMENT SCHEDULE

1. Funding will be considered for approval at the first meeting of the year of the annual programme as of the 2005 annual programme. Funding for the 2004 annual programme will be considered for approval in two instalments at the 41st meeting in 2003 and at the 42nd meeting in 2004 consistent with UNIDO's allocations for Venezuela in its 2003 and 2004 business plans.

Appendix 4-A

FORM OF ANNUAL IMPLEMENTATION PROGRAMME

1. Data

Country _____
 Year of plan _____
 # of years completed _____
 # of years remaining under the plan _____
 Target ODS consumption of the preceding year _____
 Target ODS consumption of the year of plan _____
 Level of funding requested _____
 Lead implementing agency _____

2. Targets

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. Industry Action

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. Technical Assistance

Proposed Activity: _____
Objective: _____
Target Group: _____
Impact: _____

5. Government Action

| Policy/Activity Planned | Schedule of Implementation |
|--|-----------------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|-----------------|-------------------------------------|
| | |
| | |
| Total | |

7. Administrative Fees

Appendix 5-A

MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (FONDOIN) monitors the consumption data of all Substances through regional teams. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion. The licensing System will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Venezuela.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity by the authority to be assigned (Ozone Office, government agency, local environment institute) will be done by:

- (a) Establishing a system to ensure with the counterpart institute, that every recycling centre and service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops.
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data.
- (c) Regular communication with the counterpart institute.
- (d) Occasional visits to workshops and recycling centres.
- (e) Regular communication with customs offices.

5. Following information will be collected from recycling centres and workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centres at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled CFC refrigerants at recycling centers;
- Amount of recycled CFC refrigerants returned (sold) to workshops;
- Amount of recycled CFC refrigerants used in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;

- Other financial information relevant to monitoring the recovery and recycling scheme.
6. Data and information collected will be analysed to check the adequate operations of the scheme.
 7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.
 8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the Phase-out Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

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 along the lines of the following:
 - (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2005 year to be prepared and submitted in 2004;
 - (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
 - (g) Carrying out required supervision missions;
 - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;

- (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Targets;
- (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.

Appendix 7-A

REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$8,000 per ODP tonne of reductions in consumption not achieved in any one year.

Annex XI

DRAFT AGREEMENT BETWEEN MEXICO AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF OZONE DEPLETING SUBSTANCES

1. This Agreement represents the understanding of Mexico (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the Refrigeration Sector set out in Appendix 1-A (the “Substances”) prior to 1 January 2010, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances of the Refrigeration Sector in accordance with the annual phase-out targets set out in Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 of Appendix 2-A (the “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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) That the Country has met the Target for the applicable year;
 - (b) That the meeting of these Targets has been independently verified as described in paragraph 8; and
 - (c) That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

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”) 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 paragraph 9.

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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 9.

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

- (a) The Country would use the flexibility available under this agreement to address specific needs that might arise during project implementation;
- (b) The recovery and recycling programme for the refrigeration service sector would be implemented in stages so that resources can be diverted to other activities, such as additional training or procurement of service tools, if the proposed results are not achieved, and will be closely monitored in accordance with Appendix 5-A of this agreement.

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. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances all the Sectors 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 Disbursement Schedule. In the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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 the amount exceeded the consumption limits in any one year.

11. 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.
12. The Country will comply with any reasonable request of the Executive Committee and the Lead IA to facilitate implementation of this Agreement. In particular, it will provide access to the Lead IA to information necessary to verify compliance with this Agreement.
13. 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 Protocol unless otherwise defined herein.

Appendix 1-A THE SUBSTANCES

The ozone-depleting substances to be phased out under the Agreement are as follows.

| | | |
|----------|---------|---|
| Annex A: | Group I | CFC-11, CFC-12, CFC-113 CFC-114 and CFC-115 |
|----------|---------|---|

Appendix 2-A THE TARGETS, AND FUNDING FOR CFC SECTOR PHASE-OUT PLAN IN REFRIGERATION SECTOR IN MEXICO

| | 2003(*) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-----------|-----------|-----------|---------|-------|-------|-------|-------|
| Reference | | | | | | | | |
| Montreal Protocol Reduction Schedule of Annex A Group I substances (ODP tonnes) | 4,625 | 4,625 | 2,312 | 2,312 | 694 | 694 | 694 | 0 |
| 1. Max allowable total consumption of CFCs in the refrigeration sector (ODP tonnes) | 1,690 | 1,669 | 1,569 | 1,125 | 625 | 325 | 100 | 0 |
| 2. Reduction from ongoing projects in the refrigeration sector (ODP tonnes) | 0 | 20.4 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under plan in the refrigeration sector (ODP tonnes) | 0 | 0 | 100.0 | 444.2 | 500.0 | 300.0 | 225.0 | 100.0 |
| 4. Total annual reduction of CFCs in the refrigeration sector (ODP tonnes) | 0 | 20.4 | 100.0 | 444.2 | 500.0 | 300.0 | 225.0 | 100.0 |
| 9. Lead I.A. agreed funding (US \$) | 3,000,000 | 2,800,000 | 2,684,500 | 310,000 | 0 | 0 | 0 | 0 |
| 10. Lead I.A. support costs (US \$) | 225,000 | 210,000 | 201,338 | 23,250 | 0 | 0 | 0 | 0 |
| 13. Total agreed funding (US \$) | 3,225,000 | 3,010,000 | 2,885,838 | 333,250 | 0 | 0 | 0 | 0 |
| 14. Total agency support costs (US \$) | 225,000 | 210,000 | 201,338 | 23,250 | 0 | 0 | 0 | 0 |

(*) Estimated consumption figure

Appendix 3-A FUNDING APPROVAL SCHEDULE

Funding will be considered for approval at the last meeting of the year preceding the year of the annual plan.

Appendix 4-A ANNUAL IMPLEMENTATION PROGRAMME; REFRIGERATION SECTOR CFC PHASE-OUT PLAN, MEXICO

1. Data

Country

Year of plan

of years completed

of years remaining under the plan

Target ODS consumption of the preceding year

Target ODS consumption of the year of plan

Level of funding requested

Lead implementing agency

Co-operating agency

2. Targets

| Target: | | | | |
|-------------------|------------------|-----------------------|----------------------|------------------|
| Indicators | | Preceding Year | Year of Plan, | Reduction |
| Supply of ODS | Import | | | |
| | Production* | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

* For ODS-producing countries

3. **Industry Action**

| Sector | Consumption Preceding Year (1) | Consumption Year of Plan (2) | Reduction within Year of Plan (1)-(2) | Number of Projects Completed | Number of Servicing Related Activities | ODS Phase-Out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| GRAND TOTAL | | | | | | |

4. **Technical Assistance**

Proposed Activity:

Objective:

Target Group:

Impact:

5. **Government Action**

| Policy/Activity Planned | Schedule of Implementation |
|------------------------------|----------------------------|
| Policy Control on ODS Import | |
| Public Awareness | |
| Others | |

6. Annual Budget

| Activity | Planned Expenditures (US \$) |
|--------------|------------------------------|
| | |
| | |
| | |
| | |
| TOTAL | |

7. Administrative Fees

Appendix 5-A MONITORING INSTITUTIONS AND ROLES

1. The National Ozone Unit (SEMARNAT) monitors the consumption data of all Substances through regional teams. Inspections at reconverted companies are foreseen to ensure the non uses of Substances after project completion. The licensing System will be a tool to monitor and ensure compliance of control measures.

2. The Government has offered and intends to offer continuity of activities and endorsement for the projects through the institutional support over the next years. This will guarantee the success of any activity approved for Mexico.

3. After the establishment of the countrywide scheme of refrigerant recovery and recycling, the monitoring activity will be initiated to know whether the project is successfully implemented and the target CFC phase out is achieved.

4. Monitoring activity by the authority to be assigned (Ozone Office, government agency, local environment institute) will be done by:

- (a) Establishing a system to ensure with the counterpart institute, that every recycling centre and service workshop is encouraged or obliged to report data and give information to the recovery and recycling scheme. This may be enabled through forms to be filled by recycling centres and service workshops.
- (b) Setting up adequate office facilities including a computer system to collect and analyse the data.
- (c) Regular communication with the counterpart institute.
- (d) Occasional visits to workshops and recycling centres.
- (e) Regular communication with customs offices.

5. Following information will be collected from recycling centers and workshops.

CFC quantity

- Number of appliances subjected to refrigerant recovery and type of these appliances at every service workshop;
- Amount of recovered CFC refrigerants at every workshop;
- Amount of recovered CFC refrigerants sent to the recycling centers at every workshop;
- Amount of recovered CFC refrigerants stored at every workshop;
- Amount of recovered CFC refrigerants received from service workshops at every recycling centre;
- Amount of recycled CFC refrigerants at recycling centers;
- Amount of recycled CFC refrigerants returned (sold) to workshops;
- Amount of recycled CFC refrigerants used in workshops and its application;
- Amount of CFC refrigerants, which can not be recycled and are subject to further treatment (e.g., sent to reclaiming plants, or decomposition plants abroad);
- Other data relevant for monitoring the scheme (amount of imported CFC refrigerants etc.).

Cost information

- Cost of recovery at every service workshop and parties who bear the cost;
- Cost of recycling at every recycling centre and parties who bear the cost;
- Price of recycled CFC refrigerants;
- Other financial information relevant to monitoring the recovery and recycling scheme.

6. Data and information collected will be analysed to check the adequate operations of the scheme.

7. In the manufacturing sector the implementation process and the achievement of the phase out will be monitored through site visits at enterprise level.

8. UNIDO will perform regular monitoring, verification and auditing of the implementation of the Sector Plan in line with the established procedures of both the Multilateral Fund and UNIDO.

Appendix 6-A ROLE OF THE LEAD IMPLEMENTING AGENCY

14. The Lead IA will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2005 year to be prepared and submitted in 2004;
- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been in accordance with the Targets;
- (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.

Appendix 7-A REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

15. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$9,500 per ODP tonne of the amount exceeded the consumption limits in the year.

Annex XII

DRAFT AGREEMENT BETWEEN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE PHASE-OUT OF THE OZONE-DEPLETING SUBSTANCE CARBON TETRACHLORIDE (CTC)

1. This Agreement represents the understanding of Democratic People's Republic of Korea (the "Country") and the Executive Committee with respect to the complete phase-out of controlled use of the ozone-depleting substance CTC (the Substance) prior to 1 January 2010 in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substance in the solvent sector in accordance with the annual phase-out targets set out in row I of Appendix 2-A (the "Targets") and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol, except to the extent that the performance targets conform to the response by the Meeting of the Parties to Decision 37/20(a) of the Executive Committee. 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 the Substances.
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 5 of Appendix 2-A (the "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 the Substance as indicated in row 1 in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 - (a) that the Country has met the Target for the applicable year;
 - (b) that the meeting of these Targets has been independently verified as described in paragraph 8;
 - (c) that the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 - (d) that the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the "Annual Implementation Programmes") in respect of the year for which funding is being requested.

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”) 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 paragraph 8.

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, which are considered as major changes should be accounted for in the verification report and reviewed by the Executive Committee.

8. 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. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A, including but not limited to independent verification. The Country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 8 of Appendix 2-A.

9. Should the Country, for any reason, not meet the Targets for the elimination of the Substance 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 Disbursement Schedule. At the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

10. 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/production sector projects or any other related activities in the Country.

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

12. 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 Protocol unless otherwise defined herein.

Appendices

Appendix 1-A: The Substances

1. The ozone-depleting substance to be phased out under the Agreement is as follows:

Annex B: Group II CTC

Appendix 2-A: The Targets and Funding

| Year | 2003 | 2004 | 2005 CTC- 85% | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-----------|-----------|---------------------|---------|---------|---------|------|------|
| Montreal Protocol reduction schedules | | | 192.8 | 192.8 | 92.8 | 92.8 | 92.8 | 0 |
| 1. Max allowable total consumption of CTC | 2,200 | 2,200 | 192.8 | 92.8 | 77.8 | 37.8 | 0 | 0 |
| 2. Reduction from ongoing MP projects | 0 | 0 | 565.8 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under the present plan | 0 | 0 | 1,441.4 | 100.0 | 15 | 40 | 37.8 | 0 |
| 4. Total annual reduction of CTC | 0 | 0 | 2,007.2 | 100.0 | 15 | 40 | 37.8 | 0 |
| 5. Lead IA agreed funding | 3,500,000 | 1,000,000 | 300,000 | 500,000 | 284,844 | 100,000 | | |
| 6. Lead IA support cost | 262,500 | 75,000 | 22,500 | 37,500 | 21,363 | 7,500 | | |
| 7. Total agreed funding, US\$ | 3,762,500 | 1,075,000 | 322,500 | 537,500 | 306,207 | 107,500 | | |
| 8. Total agency support cost | 262,500 | 75,000 | 22,500 | 37,500 | 21,363 | 7,500 | | |

Appendix 3-A: Funding Approval Schedule

2. Funding will be considered for approval at the last meeting of the year preceding the annual plan.

Appendix 4-A: Form of Annual Implementation Programme

1. **Data**

| | |
|--|-------|
| Country | _____ |
| Year of plan | _____ |
| # of years completed | _____ |
| # of years remaining under the plan | _____ |
| Target ODS consumption of the preceding year | _____ |
| Target ODS consumption of the year of plan | _____ |
| Level of funding requested | _____ |
| Lead implementing agency | _____ |

2. **Targets**

| Indicators | | Preceding year | Year of plan | Reduction |
|---------------|------------------|----------------|--------------|-----------|
| Supply of ODS | Import | | | |
| | Total (1) | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

3. **Industry Action**

| Sector | Consumption preceding year (1) | Consumption year of plan (2) | Reduction within year of plan (1)-(2) | Number of projects completed | Number of servicing related activities | ODS phase-out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| Grand total | | | | | | |

4. **Technical Assistance**

Proposed Activity: _____
Objective: _____
Target Group: _____
Impact: _____

5. **Government Action**

| Policy/Activity Planned | Schedule of Implementation |
|--|-----------------------------------|
| Type of policy control on ODS import: servicing, etc | |
| Public Awareness | |
| Others | |

6. **Annual Budget**

| Activity | Planned Expenditures (US \$) |
|-----------------|-------------------------------------|
| | |
| | |
| Total | |

7. **Administrative Fees**

Appendix 5-A: Monitoring Institutions and Roles

3. As developed in Section 5 of the Plan: The Terminal CTC Phase-out Plan will be managed by a dedicated Policy & Management Committee, consisting of a co-ordinator to be designated by the Government and supported by representatives and experts from UNIDO and the necessary support infrastructure. The Policy & Management Support component of the Phase-out Plan will include the following activities for the duration of the Plan:

- (a) Management and co-ordination of the Plan implementation with the various Government policy actions pertaining to the Solvent Sector;
- (b) Establishment of a policy development and enforcement program, covering various legislative, regulatory, incentive, disincentive and punitive actions to enable the Government to acquire and exercise the required mandates in order to ensure compliance by the industry with the phase-out obligations;
- (c) Development and implementation of training, awareness and capacity-building activities for key government departments, legislators, decision-makers and other institutional stakeholders, to ensure a high-level commitment to the Plan objectives and obligations;
- (d) Awareness creation of the Phase-out Plan and the Government initiatives in the Sector among consumers and public, through workshops, media publicity and other information dissemination measures;

- (e) Development of a programme and procedures, if needed, to address the impact of CTC phase-out on the certain number of small scale enterprises (SSE) in D.P.R. KOREA re-using spent CTC, in view of the hardship that CTC elimination will cause them;
- (f) Preparation of implementation plan including determining the sequence of enterprise participation in planned sub-projects;
- (g) Verification and certification of CTC phase-out in completed projects within the Plan through plant visits and performance auditing;
- (h) Establishment and operation of a reporting system for use of CTC substitutes by enterprises;
- (i) Establishment and operation of a decentralised mechanism for monitoring and evaluation of Plan outputs, in association with provincial regulatory environmental bodies to ensure sustainability.

Appendix 6-A: Role of the Lead Implementing Agency

4. UNIDO will be responsible for a range of activities to be specified in the project document along the lines of the following:

- (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
- (c) Assisting the Country in preparation of the Annual Implementation Programme;
- (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
- (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the each year to be prepared and submitted in the previous year;
- (f) Ensuring that technical reviews undertaken by UNIDO are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;

- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substance has been eliminated in accordance with the Targets;
- (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.

Appendix 7-A: Reductions in Funding for Failure to Comply

5. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$5,600 per ODP tonne of reductions in consumption not achieved in the year.

Annex XIII

**DRAFT AGREEMENT BETWEEN PAKISTAN AND
THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND
FOR THE PHASE-OUT OF CTC**

1. This Agreement represents the understanding of Pakistan (the “Country”) and the Executive Committee with respect to the complete phase-out of controlled use of the ozone depleting substances in the sectors set out in Appendix 1-A, prior to 31 December 2008, in compliance with Protocol schedules.
2. The Country agrees to phase out the controlled use of the Substances in the solvent sector in accordance with the annual phase-out targets set out in row 1A of Appendix 2-A (the “Targets”) and this Agreement. The annual phase-out targets will, at a minimum, correspond to the reduction schedules mandated by the Montreal Protocol. 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 the Substances.
3. Subject to compliance with the following paragraphs 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 9 of Appendix 2-A (the “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 Substance as indicated in Appendix 2-A. It will also accept independent verification by the relevant Implementing Agency of achievement of these consumption limits as described in paragraph 8 of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Disbursement Schedule unless the Country satisfies the following conditions at least 30 days prior to the applicable Executive Committee meeting set out in the Funding Disbursement Schedule:
 6. That the Country has met the Target for the applicable year;
 7. That the meeting of these Targets has been independently verified as described in paragraph 8; and
 8. That the Country has substantially completed all actions set out in the last Annual Implementation Programme;
 9. That the Country has submitted and received endorsement from the Executive Committee for an annual implementation programme in the form of Appendix 4-A (the “Annual Implementation Programmes”) in respect of the year for which funding is being requested.

10. 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”) 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 paragraph 8.

11. 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 use the Funding for other purposes that can be demonstrated to facilitate the smoothest possible phase-out, consistent with this Agreement, whether or not that use of funds was contemplated in determining the amount of funding under this Agreement. Any changes in the use of the Funding must, however, be documented in advance in the Country’s Annual Implementation Programme, endorsed by the Executive Committee as described in sub-paragraph 5(d) and be subject to independent verification as described in paragraph 8.

12. 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. UNIDO (the “Lead IA”) has agreed to be the lead implementing agency in respect of the Country’s activities under this Agreement. The Lead IA will be responsible for carrying out the activities listed in Appendix 6-A including but not limited to independent verification. The country also agrees to periodic evaluations, which will be carried out under the monitoring and evaluation work programmes of the Multilateral Fund. The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 10 of Appendix 2-A.

13. Should the Country, for any reason, not meet the Targets for the elimination of the Substances in the solvent sector 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 Disbursement Schedule. In the discretion of the Executive Committee, Funding will be reinstated according to a revised Funding Disbursement 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 instalment of Funding under the Funding Disbursement 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.

14. 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.

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

16. 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 Protocol unless otherwise defined herein.

Appendix 1-A

THE SUBSTANCES

1. The common names of the ozone-depleting substances to be phased out under the Agreement are:

| | | |
|----------|----------|-----|
| | | |
| Annex B: | Group II | CTC |

Appendix 2-A

THE TARGETS, AND FUNDING

| | 2003(*) | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-----------|-----------|----------|------|------|------|-------|------|
| Montreal Protocol Reduction Schedules | | | CTC- 85% | | | | | |
| 1. Max allowable consumption of CTC under Protocol (ODP tonnes) | - | - | 61.9 | 63.5 | 63.5 | 63.5 | 63.5 | 0 |
| 1.A. Max allowable consumption of CTC under sector plan (ODP tonnes) | 650 | 389.3 | 61.9 | 42.0 | 32.0 | 15.0 | 0 | 0 |
| 2. Reduction from ongoing projects | - | 160.7 | 0 | 0 | 0 | 0 | 0 | 0 |
| 3. New reduction under plan | - | 100.0 | 326.5 | 20.5 | 10.0 | 17.0 | 15.00 | 0 |
| 4. Total annual reduction of CTC (ODP tonnes) | - | 260.7 | 326.5 | 20.5 | 10.0 | 17.0 | 15.00 | 0 |
| 5. Lead I.A. agreed funding | 1,200,000 | 1,300,000 | 245,665 | 0 | 0 | 0 | 0 | 0 |
| 6. Lead I.A. support costs | 90,000 | 97,500 | 25,924 | 0 | 0 | 0 | 0 | 0 |
| 7. Total agreed funding (US \$) | 1,290,000 | 1,390,000 | 271,589 | 0 | 0 | - | - | - |

(*)Estimated consumption figure

Appendix 3-A

FUNDING APPROVAL SCHEDULE

Funding will be considered for approval at the last meeting of the year prior to the year of the annual plan.

Appendix 4-A

FORM OF ANNUAL IMPLEMENTATION PROGRAMME

1. This format is to be used to prepare the annual implementation programme for the implementation of performance-based ODS phase-out plans; however, it should be modified to suit the specific needs of each plan.

1. **Data**

| | |
|--|--|
| Country | |
| Year of plan | |
| # of years completed | |
| # of years remaining under the plan | |
| Target ODS consumption of the preceding year | |
| Target ODS consumption of the year of plan | |
| Level of funding requested | |
| Lead implementing agency | |
| Co-operating agency(ies) | |

2. **Targets**

| Target: | | | | |
|----------------|------------------|----------------|--------------|-----------|
| | | | | |
| Indicators | | Preceding Year | Year of Plan | Reduction |
| Supply of ODS | Import | | | |
| | Production* | | | |
| | Total (1) | | | |
| | | | | |
| Demand of ODS | Manufacturing | | | |
| | Servicing | | | |
| | Stockpiling | | | |
| | Total (2) | | | |

*For ODS-producing countries

3. **Industry Action**

| Sector | Consumption Preceding Year (1) | Consumption Year of Plan (2) | Reduction within Year of Plan (1)-(2) | Number of Projects Completed | Number of Servicing Related Activities | ODS Phase-Out (in ODP tonnes) |
|----------------------|--------------------------------|------------------------------|---------------------------------------|------------------------------|--|-------------------------------|
| Manufacturing | | | | | | |
| Aerosol | | | | | | |
| Foam | | | | | | |
| Refrigeration | | | | | | |
| Solvents | | | | | | |
| Other | | | | | | |
| Total | | | | | | |
| Servicing | | | | | | |
| Refrigeration | | | | | | |
| Total | | | | | | |
| GRAND TOTAL | | | | | | |

4. **Technical Assistance**

Proposed Activity: _____

Objective: _____

Target Group: _____

Impact: _____

5. **Government Action**

| Policy/Activity Planned | Schedule of Implementation |
|--|----------------------------|
| Type of Policy Control on ODS Import: servicing, etc | |
| Public Awareness | |
| Others | |

6. **Annual Budget**

| Activity | Planned Expenditures (US \$) |
|--------------|------------------------------|
| | |
| | |
| TOTAL | |

7. **Administrative Fees**

Appendix 5-A

MONITORING INSTITUTIONS AND ROLES

1. The overall management of the Plan will be carried out as described in Section 5.1, by National Ozone Unit, Government of Pakistan. The implementation of the Plan will be carried out by National Ozone Unit through a dedicated management unit to be established and in close cooperation with UNIDO.

2. The Ozone Unit within the purview of the Federal Ministry of Environment will be responsible for monitoring and coordination of the implementation of the Sector Phase-out Plan. The Ozone Unit will be responsible for tracking promulgation and enforcement of policy/legislations and assist UNIDO with the preparation of annual implementation plans and progress reports to the Executive Committee of MLF. National Ozone Unit in collaboration with UNIDO would supervise Plan implementation activities and conduct an annual independent audit for verifying ODS consumption levels under this Plan, including spot checks and random inspection visits.

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 along the lines of the following:
 - (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) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the annual implementation programme
 - (c) Assisting the Country in preparation of the Annual Implementation Programme;
 - (d) Ensuring that achievements in previous Annual Implementation Programmes are reflected in future Annual Implementation Programmes;
 - (e) Reporting on the implementation of the Annual Implementation Programme commencing with the Annual Implementation Programme for the 2004 year to be prepared and submitted in 2005;

- (f) Ensuring that technical reviews undertaken by the Lead IA are carried out by appropriate independent technical experts;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Annual Implementation Programme and accurate data reporting;
- (i) Verification for the Executive Committee that consumption of the Substances has been eliminated in accordance with the Targets;
- (j) Coordinate the activities of the Coordinating IAs, if any;
- (k) Ensuring that disbursements made to the Country are based on the use of the Indicators; and
- (l) Providing assistance with policy, management and technical support when required.

Appendix 7-A

REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY

1. In accordance with paragraph 9 of the Agreement, the amount of funding provided may be reduced by US \$12,000 per ODP tonne of reductions in consumption not achieved in the year.
