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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-second Meeting
Montreal, 29 November - 3 December 2010

ANNOTATED PROVISIONAL AGENDA

1. Opening of the meeting

Opening remarks by the Chairperson of the Executive Committee.

2. Organizational matters

(a) Adoption of the agenda

Document UNEP/OzL.Pro/ExCom/62/1 contains the provisional agenda for the 62nd Meeting of the Executive Committee.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee might wish to adopt the agenda of the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/62/1 and, if needed, as amended verbally at the plenary.

(b) Organization of work

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

3. Secretariat activities

Document UNEP/OzL.Pro/ExCom/62/2 presents a report on the activities of the Secretariat since the 61st Meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 61st Meeting, the preparations for the 62nd Meeting, and information on the missions undertaken by the Chief Officer and the staff of the Secretariat during this reporting period.

Issues to be addressed: None.

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

Action expected from the Executive Committee: The Executive Committee may wish to take note of the report on the Secretariat Activities (document UNEP/OzL.Pro/ExCom/62/2).

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/62/3 provides information on the Status of the Fund as recorded at UNEP as of 19 October 2010. At that date, the Fund balance stood at US \$170,909,029. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 61st Meeting.

Issues to be addressed: None.

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

- (a) To note the report of the Treasurer on the status of contributions and disbursements and the information on promissory notes as contained in document UNEP/OzL.Pro/ExCom/62/3;
- (b) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

5. Status of resources and planning

(a) Report on balances and availability of resources

Document UNEP/OzL.Pro/ExCom/62/4 presents a summary of the financial adjustments indicated by the bilateral and implementing agencies and agreed by the Fund Secretariat. The document includes statistical data from projects with balances that have been held for over the allowable 12-month period following completion of the project and indicates the level of resources available to the 62nd Meeting of the Executive Committee.

Issues to be addressed:

- Gains or losses from balances returned from completed bilateral activities to exchange rate losses/gains due to the Fixed Exchange Rate Mechanism.

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

- (a) To note the report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/62/4;
- (b) To note the net level of funds being returned by the implementing agencies to the 62nd Meeting was US \$1,337,444 against projects, which included the return of US \$54,908 from UNDP, US \$74,282 from UNEP, from US \$712,925 UNIDO and US \$ 495,329 from the World Bank;
- (c) To note the net level of support costs, being returned by the implementing agencies to the 62nd Meeting was US \$106,223 against projects, which included the return of US \$5,977 from UNDP, US \$9,657 from UNEP and US \$53,470 from UNIDO and US \$37,119 from the World Bank;
- (d) To note that implementing agencies had balances totalling US \$2,854,199 excluding support costs, from projects completed over two years previously, which included US \$665,302 for UNDP, US \$769,433 for UNEP, US \$304,237 for UNIDO, and

US \$1,115,227 for the World Bank;

- (e) To note that bilateral agencies had balances totalling US \$34,022 excluding support costs from projects completed over two years previously, solely attributed to Finland; and
- (f) To request the Treasurer to assign any gains or losses from balances returned from completed bilateral activities to exchange rate losses/gains due to the Fixed Exchange Rate Mechanism (FERM) including those funds returned to the 57th, 59th, and 60th Meetings.

(b) 2010-2014 business plans and annual tranche submission delays

Documents UNEP/OzL.Pro/ExCom/62/5 and Add.1 (to be issued) considers business planning in light of approvals at the 60th and 61st Meetings, submissions to the 62nd Meeting, and allocations in the 2010-2014 business plans. Firstly, it addresses decisions taken at the 61st Meeting with respect to the revised 2010-2014 business plans. It then addresses non-HCFC and HCFC submissions in the light of their corresponding business plan values and tonnages. It also presents the value of activities that were not submitted this year but were included in the 2010 business plans that are required for compliances (mostly HPMP development and some institutional strengthening) and that not required for compliance (ODS disposal). It concludes by addressing annual tranche submission delays and reports by UNDP, UNEP and UNIDO on dialogues with countries on qualitative performance evaluations pursuant to decision 61/17. An addendum to the document will be issued to provide information on the proposed funding values in the recommendations from the Secretariat compared to the actual values and tonnages in the business plans.

Issues to be addressed:

- The extent to which implementing agencies submitted values and tonnages beyond those in the business plans;
- The addendum addressing the extent to which proposed funding values in recommendations exceed the values and tonnage in the business plans;
- All annual tranches due to the 62nd Meeting were submitted; and
- UNDP and UNEP provided reports on its dialogues pursuant to decision 61/17. UNIDO provided reports, but did not have a dialogue with Turkmenistan.

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

- (a) Noting:
 - (i) The Report on the status of the 2010 business plans as contained in UNEP/OzL.Pro/ExCom/62/5 and the fact that US \$44.2 million in activities that were required for compliance had not been submitted to the 62nd Meeting;
 - (ii) That all annual tranches of multi-year agreements (MYAs) due for submission had been submitted on time to the 62nd Meeting; and
 - (iii) The reports provided by UNDP, UNEP and UNIDO on their dialogues with countries on the 2009 business plan's qualitative performance evaluations.
- (b) The addendum to this document that incorporates the results of the final negotiations on projects submitted to this meeting, to obtain an indication of the extent to which the

requests are within the business plan levels and if, recommended/proposed values remain above those for the business plan, examining the following options:

- (i) Whether values could exceed the allocations for the 2009-2011 triennium thereby reducing the remaining resources for other countries bearing in mind that all 144 eligible Article 5 countries, except one, plan to submit requests for HCFC phase-out management plan (HPMP) funding during the 2009-2011 triennium;
 - (ii) Whether values could exceed the allocations for the 2010-2014 planning period given that the allocation used for the 2012-2014 triennium is the same as that approved for the 2009-2011 triennium;
 - (iii) Whether approvals for non-low-volume-consuming (non-LVC) countries could contain funding allocations and accompanying tonnage reductions for funding and tonnage after 2014;
 - (iv) Whether LVC countries could seek funding in this triennium for phase-out beyond the 2020 control measure; and
 - (v) Whether projects partially back-loaded to the 2012-2014 triennium for business planning purposes should have any funding beyond that in the business plans for 2009-2011, to be approved and released in the 2012-2014 triennium, so as to ensure remaining 2009-2011 allocations for other countries are not reduced.
- (c) Requesting UNIDO to implement decision 61/17(d) with respect to Kyrgyzstan and report back to the 63rd Meeting on the results of its consultations.
- (c) **Status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol**

Documents UNEP/OzL.Pro/ExCom/62/6 and Add.1 (to be issued) contain seven parts: Part I contains an update of the status of compliance of Article 5 countries that are subject to the Montreal Protocol's control measures that includes a new section on HCFCs. Part II contains information on those Article 5 countries that are subject to decisions of the Parties and recommendations of the Implementation Committee on compliance. Part III presents data on the implementation of country programmes, including an analysis of the ODS consumption data by sector. Part IV address projects with implementation delays and projects for which special status reports had been requested. Part V addresses the status of HPMP development. Part VI addresses the extent to which Article 5 countries have considered the HCFC control measures agreed in 2007 in their licensing systems. An addendum will be issued to this document to add Part VII that will address the lead agencies' responses on the extent to which co-financing has been addressed in the development of HPMPs.

Issues to be addressed:

- Although there remain 69 countries with allowable CFC consumption up to 2009, most countries have reported zero consumption for CFCs, halon, methyl bromide, CTC and TCA;
- All 125 eligible Article 5 countries have received funding for HPMP preparation;
- All issues with respect to compliance with action plans have been addressed by the Implementation Committee except the late submission of 2007 Article 7 data;
- On country programme (CP) data—473,715 metric tonnes (mt) of HCFC consumption was reported; for 126 countries that had reported both 2008 and 2009 data, HCFC consumption had increased by 14.5 per cent;

On implementation delays and status reports:

- An institutional strengthening project in Brunei Darussalam has had no agreement for several years and it is recommended that the project should be cancelled if the project document is not signed by the 63rd Meeting;
- 34 projects are recommended for additional status report and special recommendations have been formulated for such projects with ongoing difficulties;
- Governments of Israel, Portugal and Spain should be requested to provide their implementation delays reports to the 63rd Meeting of the Executive Committee;

On HPMP development:

- All 125 eligible countries, except one, plan to submit HPMPs during the current triennium (2009-2011);
- Additional information is requested for 64 HPMP development activities that are at an early stage of implementation; and
- 86 countries indicated that they have taken the 2007 control measure adjustment for HCFCs into consideration and the remaining countries will do so in 2011.

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

(a) Noting:

- (i) The status of implementation of delayed projects and prospects of Article 5 countries in achieving compliance with the next control measures of the Montreal Protocol as contained in document UNEP/OzL.Pro/ExCom/62/6;
- (ii) With appreciation, the status reports on projects with implementation delays submitted to the Secretariat by the Governments of Australia, Canada, France, Italy, Japan, and the four implementing agencies, addressed in UNEP/OzL.Pro/ExCom/62/6;
- (iii) The completion of three of the 34 projects listed with implementation delays; and
- (iv) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (progress or some progress) and report to and notify governments and implementing agencies as required.

(b) Requesting:

- (i) Additional status reports on the projects listed in Annex VI and VII;
- (ii) That letters of possible cancellation should be sent in respect of the following projects:

Agency	Code	Project Title
IBRD	ARG/REF/18/INV/39	Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba, S.A. in Argentina
UNEP	AFR/SEV/45/TAS/33	Sub-regional project on harmonization of legislative and regulatory mechanisms to improve monitoring and control of ODS consumption in English-speaking Africa

- (iii) The Governments of Israel, Portugal and Spain to provide their implementation delays reports to the 63rd Meeting of the Executive Committee.

- (c) Possible cancellation if the project document is not signed by the 63rd Meeting with the possibility of resubmission when the Government is in a position to sign a project document for the following project:

Agency	Code	Project Title
UNEP	BRU/SEV/43/INS/05	Renewal of the institutional strengthening project (phase II) in Brunei Darussalam

and;

- (d) Requesting additional information on the application of licensing systems to the importation of HCFC-containing equipment and continue requesting reports on those countries that have not taken the 2007 adjustments to the HCFC control measures into account.

(d) Updated model rolling three-year phase-out plan: 2011-2013 (decision 59/5)

Document UNEP/OzL.Pro/ExCom/62/7 contains the model rolling three-year phase-out plan for the Multilateral Fund for the years 2011-2013. The paper includes an analysis of the amounts of ODS that need to be approved for funding to enable all Article 5 countries to achieve compliance with the Montreal Protocol phase-out targets, and indicates the ODS to be phased out in approved projects during 2011-2013. The paper also includes an analysis of HCFC phase-out taking into account relevant decisions on HCFCs adopted by the Executive Committee.

Issues to be addressed:

- The level of effort still required by both the Article 5 countries concerned and the bilateral and implementing agencies to implement and meet the already funded reductions in ODS consumption and production (about 14,579.3 ODP tonnes of ODS consumption have yet to be phased out in approved multi-year sectoral and national phase-out plans);
- The number of multi-year phase-out plans to address ODS consumption and production, excluding HCFCs, still under implementation (i.e., 41 national ODS phase-out plans for non-LVC countries, 98 TPMPs for LVC countries, and 12 phase-out plans in the production sector);
- The level of effort that would be required by both Article 5 countries and the bilateral and implementing agencies to meet the 2013 and 2015 HCFC phase-out targets, noting that since the baseline for compliance is estimated at 33,800 ODP tonnes, that nearly 7,300 ODP tonnes would need to be phased out from the consumption forecast of 37,703 ODP tonnes in 2011, and that the remaining tonnage eligible for funding would be 26,700 ODP tonnes.

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

- (a) Adopting the 2011-2013 model three-year phase-out plan as a flexible guide for resource planning for the corresponding triennium;
- (b) Urging Article 5 countries with approved but not implemented projects, and the relevant implementing and bilateral agencies, to accelerate the pace of implementation during the 2011-2013 triennium;
- (c) Urging bilateral and implementing agencies to work with those countries that have been identified as being in need of immediate assistance to meet the 2013 and 2015 Montreal Protocol phase-out targets, and include activities in their 2011-2013 business plans as

appropriate;

- (d) Requesting the Secretariat to present an updated model three-year rolling phase-out plan for the years 2012-2014 to the last meeting in 2011 to provide guidance, as relevant, for the preparation of the 2012-2014 business plan of the Multilateral Fund;
- (e) Noting that:
 - (i) Some 14,579.3 ODP tonnes of ODS consumption have yet to be phased out in approved multi-year sectoral and national phase-out plans during the remainder of 2010 and in the 2011-2013 triennium; and
 - (ii) 41 national ODS phase-out plans for non-low-volume-consuming (non-LVC) countries, 98 terminal phase-out management plans for LVC countries, and 12 phase-out plans in the production sector in 7 non-LVC countries were currently being implemented.

6. Programme implementation:

(a) **Monitoring and implementation: 2010 consolidated project completion report**

Documents UNEP/OzL.Pro/ExCom/62/8 and Add.1 (to be issued) provide the Executive Committee with an overview of the results reported in the project completion reports (PCRs) received since the 59th Meeting in November 2009 pursuant to decisions 23/8(i) and 26/11 of the Executive Committee that requested the Senior Monitoring and Evaluation Officer to present a consolidated PCR, after consultation with the implementing agencies, at the third meeting of the year.

Issues to be addressed:

- PCRs received and due;
- Content and quality of PCR reports;
- Format for reporting IS progress and requesting IS renewals;
- Lessons learned reported in PCRs; and
- Schedule for submission of PCRs in 2011.

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

- (a) Taking note of the 2010 consolidated project completion report including the schedule for submission of project completion reports (PCRs) due and the lessons learned in Annex II;
- (b) Requesting implementing agencies and bilateral agencies concerned:
 - (i) To establish by the end of January 2011, in cooperation with the Multilateral Fund Secretariat, full consistency of data reported in the PCRs in the inventory and in the annual progress reports;
 - (ii) To provide, by the end of January 2011, the information still missing in a number of PCRs; and
 - (iii) To clear by the end of January 2011 the backlog of PCRs on projects completed before the end of 2006;

- (c) Requesting the Senior Monitoring and Evaluation Officer to address the issue of development of a completion report format for completed MYA projects as a matter of priority; and
- (d) Inviting all those involved in the preparation and implementation of projects to take into consideration the lessons learned drawn from PCRs when preparing and implementing future projects.
- (b) **Report on implementation of approved projects with specific reporting requirements**

Document UNEP/OzL.Pro/ExCom/62/9 consists of progress reports on the implementation of projects for China, Colombia, Oman and a global project. It also contains progress reports on chiller projects for Brazil, Colombia, Cuba, Syrian Arab Republic, the global chiller replacement project and for the following regions: Africa, Europe, and Latin America and the Caribbean

Issues to be addressed: None.

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

- (a) With regard to China:
 - (i) To take note of the verification report regarding the CFC consumption in the refrigeration servicing sector in China during the year 2009; and
 - (ii) To take note that the annual implementation report for the years 2009 and 2010 will be considered at the 63rd Meeting of the Executive Committee.
- (b) With regard to Colombia:
 - (i) To take note of the progress report on the implementation of the national CFC phase-out plan (NPP) for Colombia, covering the 2009-2010 period, and approve the annual implementation programme for 2011.
- (c) With regard to the global project:
 - (i) To take note with appreciation of the report entitled “Methyl formate as blowing agent in the manufacture of polyurethane systems. An assessment for the application in MLF projects”, submitted by UNDP; and
 - (ii) To request bilateral and implementing agencies to give full consideration of the assessment for the application of methyl formate when assisting Article 5 countries in preparing projects for the phase-out of HCFC-141b in polyurethane foam applications.
- (d) With regard to Oman:
 - (i) To take note of the verification of the terminal phase-out management plan (TPMP) of CFCs in Oman in 2009 and the recommendations contained therein; and
 - (ii) To encourage the Government of Oman to continue its efforts in controlling the use of CFCs, and to apply the conclusions and recommendations of this verification in the implementation of the HCFC phase-out management plan.

(e) With regard to the following chiller projects:

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

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

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

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

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

Region – Africa: progress report on strategic demonstration project for accelerated conversion of CFC chillers in 6 African countries (Cameroon, Egypt, Namibia, Nigeria, Senegal and Sudan)

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

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

- (i) To note the progress report on progress made in all chiller projects provided in document UNEP/OzL.Pro/ExCom/62/9; and
- (ii) To request the Secretariat to provide another report on progress achieved in chiller projects to the 65th Meeting.

7. Project proposals:

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/62/10 contains four sections: an analysis of the number of projects submitted by bilateral and implementing agencies to the 62nd Meeting; policy issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration.

Issues to be addressed:

- Project proposals with policy issues not submitted to the 62nd Meeting (Jordan, Mexico, China);
- Project preparation requests for ODS disposal activities in LVC countries;

- Phase-out of HCFC consumption over the 10 per cent baseline;
- Accelerated phase-out of HCFCs beyond 2020 for LVCs and increase in HPMP funding;
- High levels of recorded HCFC consumption in submitted HPMPs for LVCs;
- Prioritization of HCFCs;
- Cost-effectiveness threshold for rigid insulation refrigeration foam sub-sector;
- Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and service sectors; and
- Funding of institutional strengthening projects as part of an HPMP.

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

Projects and activities submitted for blanket approval

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex [] to the final report, together with the conditions or provisions included in the corresponding project evaluation documents and the conditions attached to the projects by the Executive Committee; and
- (b) That, for projects related to renewal of institutional strengthening, blanket approval included approval of the observations to be communicated to recipient governments contained in Annex [] to the final report.

Project proposals with policy issues not submitted to the 62nd Meeting

- (c) With regard to complete phase-out of the use of methyl bromide in Jordan:
 - (i) To consider whether or not it wishes to provide additional funding (and when), for the implementation of the investment project for the total phase-out of MB use in soil fumigation in Jordan.
- (d) With regard to the phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico:
 - (i) To consider whether the incremental operating costs (IOC) for the aerosol sector are to be determined based on a one-year or a four-year duration, or any other duration; and
 - (ii) To request that the project proposal for the phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico be resubmitted to the 63rd Meeting, on the understanding that all technical issues will have been resolved and the level of funding will have been agreed between the Secretariat and UNIDO.

Project preparation requests for ODS disposal activities in LVC countries

- (e) To consider whether it wishes to provide additional guidance to bilateral and implementing agencies and request the Secretariat to prepare a paper on the submission criteria for the funding window for ODS activities for low-volume-consuming countries, and to defer the project approvals until such guidelines have been agreed.

Phase-out of HCFC consumption over the 10 per cent baseline

- (f) To consider requests for funding beyond the 10 per cent funding eligibility on a case-by-case basis through funding tranches after the 2012-2014 triennium.

Accelerated phase-out of HCFCs beyond 2020 for LVCs and increase in HPMP funding

- (g) To consider whether HPMPs addressing an accelerated phase-out of HCFCs and submitted in line with decision 60/15 for consideration on a case-by-case basis are entitled to funding in addition to that provided in decision 60/44 and, if so, by how much.

High levels of recorded HCFC consumption in submitted HPMPs for LVCs

- (h) Whether to agree to the request of these countries whose estimated baseline consumption exceeded 360 metric ton to continue to be treated as LVC countries and calculate funding using decision 60/44 (f)(xii) up to 2020, on the understanding that no additional funding will be provided to the country for the consumption over 360 metric ton; or
- (i) Whether to reiterate decision 60/44 and consider countries whose calculated baseline consumption exceeded 360 metric ton as non-LVC countries and provide funding at US \$4.50/kg and up to 2015 only.

Prioritization of HCFCs

- (j) In regard to the phase-out of HCFC-22/HCFC-142b used in the manufacturing of XPS, to note as follows:
 - (i) Although in metric tons the cost-effectiveness threshold for this sector is similar to that of HCFC-141b (when using low global warming potential (GWP) alternatives); cost-effectiveness is cut in half when the phase-out is measured in ODP tonnes (for each ODP tonne of HCFC-141b phased out, only 0.5 ODP tonne of HCFC-22/HCFC-142b would be phased out at the same cost); and
 - (ii) XPS foams are produced in a relatively small number of Article 5 countries, as the technology is complex. For various reasons, this sector has experienced rapid growth over the last several years, with the associated increase in HCFC consumption. However, for the purpose of the Multilateral Fund, the growth in this sector (as in any other manufacturing sector) has been capped to the enterprises that were established before the cut-off date of 21 September 2007. Therefore, the only growth in HCFC consumption that would need to be addressed by the Fund would be the growth associated with an increase in output from already established capacity.
- (k) Noting that project proposals for HCFCs with ODP lower than HCFC-141b could be considered where national circumstances and priorities required their submission in order to comply with the 2013 and 2015 control measures:
 - (i) To request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the manufacturing of refrigeration equipment, to assess the total future amount of HCFC-22 that could potentially be required for servicing the equipment as requested under decision 59/11;

- (ii) To request bilateral and implementing agencies, when submitting activities to phase out HCFC-22 used in the refrigeration servicing sector, to clearly demonstrate how the proposed activities will reduce the growth rate in the servicing sector and contribute to meeting the reduction steps in 2013 and 2015; and
- (iii) To consider projects for the phase-out of HCFC-22/HCFC-142b used for the manufacturing of extruded polystyrene (XPS) with cost-effectiveness values below US \$4.50/kg (i.e., similar to the refrigeration servicing sector for non-LVC countries) and/or when it is clearly demonstrated they would be required to comply with the 2013 and 2015 control measures, and to consider all other XPS foam projects after 2014.

Cost-effectiveness threshold for rigid insulation refrigeration foam sub-sector

- (l) To consider setting the cost-effectiveness threshold for rigid insulation refrigeration foam at US \$9.79/kg when using low-GWP alternatives.

Sub-sector on the assembly of refrigeration equipment in addition to refrigeration manufacturing and service sectors

- (m) To consider to request bilateral and implementing agencies when submitting projects in the installation, assembling and charging sub-sector, to demonstrate that each enterprise addressed in the sub-sector has invested in equipment, development of products or training of personnel specific to HCFC technology which exceeds significantly the level prevalent in the service sector, and that the activities foreseen for these enterprises represent incremental costs.

Funding of institutional strengthening projects as part of an HPMP

- (n) To consider whether:
 - (i) To reiterate that the inclusion of IS funding into the HPMP in line with decision 59/17 makes it subject to the performance based-targets under the multiyear agreement covering the HPMP and all the conditions required for future tranche funding; or
 - (ii) To maintain the IS funding in the HPMP if countries so choose, but exempt it from the conditions of the MYA, meaning that funding for IS will not be interrupted despite performance targets not being met by the country.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/62/11 provides an overview of requests from bilateral agencies, and whether they are eligible for approval by the Executive Committee in light of the maximum level of bilateral cooperation available for 2010. All the requests are addressed in the countries' project documents.

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee may wish to request the Treasurer to offset the costs of the bilateral projects approved at the 62nd Meeting as follows:

- (a) [US \$XXX] (including agency fees) against the balance of Germany's bilateral contribution for 2009 – 2010; and
- (b) [US \$XXX] (including agency fees) against the balance of Japan's bilateral contribution for 2010.
- (c) **Amendments to work programmes for 2010**
 - (i) **UNDP**

Document UNEP/OzL.Pro/ExCom/62/12 contains seven activities submitted by UNDP including six requests for renewal of the IS projects and one request for technical assistance for resource mobilization. The requests for renewal of the IS projects were recommended for blanket approval and have therefore been approved under agenda item 7(a). The request for technical assistance is for individual consideration.

Issues to be addressed:

- Consideration of request for global resource mobilization in line with continuing discussions in the Executive Committee.

Action expected from the Executive Committee: The Executive Committee may wish to consider whether pilot projects in ODS bank management and disposal, seeking co-financing for HCFC activities, and seeking synergies with other programmes for energy efficiency should be funded as resource mobilization activities.

(ii) **UNEP**

Document UNEP/OzL.Pro/ExCom/62/13 contains 21 activities submitted by UNEP, including requests for 18 institutional strengthening projects, two for regional project preparation for ODS disposal activities in LVC countries, one request for technical assistance for resource mobilization. 18 activities are recommended for blanket approval and could be approved under agenda item 7(a). Three are for individual consideration and are described in this work programme.

Issues to be addressed:

- Eligibility of the requests for project preparation for a regional ODS destruction project in two regions (Asia and the Pacific and Latin America and the Caribbean) in the absence of clear guidelines from the Executive Committee on using the funding window for LVCs for ODS disposal projects in line with decision 60/5(i); and
- Consideration of request for global resource mobilization in line with discussions in the Executive Committee.

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

- (a) The requests for two regional project preparation funds for Asia and the Pacific and Latin America and the Caribbean for ODS disposal activities in LVC countries in light of the discussion under Agenda item 7, Overview of issues identified during project review; and
- (b) Whether the preparation of the study on financing options, regional workshops on co-financing, and/or one or more pilot applications of co-financing for one or more

low-volume-consuming country with an approved HPMP should be funded as resource mobilization.

(iii) UNIDO

Document UNEP/OzL.Pro/ExCom/62/14 contains activities submitted for funding by UNIDO consisting of two requests for IS renewals only. These IS renewal requests were recommended for blanket approval and have therefore been considered under agenda item 7(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(iv) World Bank

Document UNEP/OzL.Pro/ExCom/62/15 contains four activities submitted for funding by the World Bank including one request for institutional strengthening renewal, two requests for verification in the production sector for essential uses for (one each for China and India), and one request for technical assistance for resource mobilization. The request for renewal of the institutional strengthening project and the requests for verification for China and India were recommended for blanket approval and could be approved under agenda item 7(a). The request for a technical assistance project for resource mobilization is for individual consideration.

Issues to be addressed:

- Consideration of request for global resource mobilization in line with the continued discussions on this issue in the Executive Committee.

Action expected from the Executive Committee: The Executive Committee may wish to consider whether scaling up future contributions, monetization of future carbon credits, and scaling up financing scenarios for five contributing Parties should be funded as resource mobilization.

(d) Compliance Assistance Programme (CAP) budget for 2011

Document UNEP/OzL.Pro/ExCom/62/16 contains UNEP's global CAP budget for 2011.

Issues to be addressed: None.

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

- (a) Approving the Compliance Assistance Programme (CAP) budget for 2010 at US \$9,007,000 plus agency support costs of 8 per cent amounting to US \$720,560 contained in Annex I of document UNEP/OzL.Pro/ExCom/62/16;
- (b) Requesting UNEP, in future submissions of the CAP budget to:
 - (i) Continue to provide detailed information on the activities for which the global funds will be used;
 - (ii) Continue to extend the prioritisation of funding between CAP budget lines so as to accommodate changing priorities; and provide details on the reallocations made for its budget following decisions 47/24 and 50/26; and

- (iii) Continue to report on the current staff post levels and inform the Executive Committee of any changes therein, particularly in respect of any increased budget allocations.

(e) 2011 core unit costs for UNDP, UNIDO and the World Bank

Document: UNEP/OzL.Pro/ExCom/62/17 contains information on actual administrative costs for 2007, 2008, and 2009 and estimated costs for 2010, and their associated approved budgets. It also contains requests for proposed 2011 core unit costs.

Issues to be addressed:

- Greater administrative costs in 2009 than income for UNDP and the World Bank; and
- Requests for approval of core unit costs for UNDP with a 3 per cent increase over the 2009 budget and the World Bank with a 2.3 per cent increase over the 2009 budget in line with decision 56/41;

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

- (a) Noting the report on 2011 core unit costs for UNDP, UNIDO and the World Bank as presented in UNEP/OzL.Pro/ExCom/62/17;
- (b) Whether to approve the requested increases in the core unit budgets for UNDP, UNIDO and the World Bank or maintain current levels; and
- (c) Whether an independent assessment of the administrative costs for bilateral and implementing agencies for the 2012-2014 triennium should be undertaken and to allocate a budget for the study, or if the extension of the administrative cost regime can be based on the report on 2012 core unit costs to be prepared by the Fund Secretariat by the 65th Meeting.

(f) Investment projects

Document UNEP/OzL.Pro/ExCom/62/10 contains a list of projects for individual consideration (see Tables 2 to 6). All other investment projects, both on-going and new activities, were recommended for blanket approval and were considered in Agenda item 7(a)

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

Table 2. Non-HCFC investment projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
Methyl bromide				
Iraq	Technical assistance for alternatives to methyl bromide	UNIDO	62/37	Technical and cost-related issues have been satisfactorily addressed
Pilot ODS disposal projects				
Cuba	Pilot demonstration project on ODS waste management and disposal	UNDP	62/28	Technical and cost-related issues have been satisfactorily addressed
Ghana	Pilot demonstration project on ODS waste management and disposal	UNDP	62/32	Technical and cost-related issues have been satisfactorily addressed

Country	Project	Agency	ExCom	Issue
Production sector				
India	Accelerated CFC Production Phase-out (second tranche)	World Bank	62/34	Export of CFCs

Table 3. HCFC stand-alone projects submitted for individual consideration

Country	Project	Agency	ExCom	Issue
Foam sector				
Algeria	Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Cristor	UNIDO	62/18	Technical and cost-related issues have been satisfactorily addressed
Bangladesh	Conversion from HCFC-141b to cyclopentane technology in manufacturing refrigeration equipment insulation foam at Walton Hi-Tech Industries Limited	UNDP	62/20	Technical and cost-related issues have been satisfactorily addressed
Egypt	Phase-out of HCFC-141b in eight foam enterprises	UNDP/ UNIDO	62/30	Technical and cost-related issues have been satisfactorily addressed
Morocco	Conversion from HCFC-141b in the manufacture of polyurethane rigid insulation foam for domestic refrigerators at Manar	UNIDO	62/41	Technical and cost-related issues have been satisfactorily addressed
Philippines	Sector plan to phase out HCFC-141b in the foam sector	UNIDO/ Japan	62/45	Costs issue still under discussion
Saudi Arabia	Phase-out of HCFC-22 and HCFC-142b from the manufacture of extruded polystyrene panel at Line #2 in Arabian Chemical Company and at Al-Watania Plastics	UNIDO/ Japan	62/46	Technical and cost-related issues have been satisfactorily addressed
Sudan	Umbrella project for the phase-out of HCFC-141b from the polyurethane (PU) rigid foam production in the manufacturing of domestic refrigerators, commercial refrigerators and PU insulated composite panels	UNIDO	62/49	Technical and cost-related issues have been satisfactorily addressed
Turkey	Umbrella project for the phase-out of HCFC-141b from the polyurethane (PU) rigid foam production in the manufacturing of PU insulated sandwich panels and phase-out of HCFC-142b and HCFC-22 in the manufacture of extruded polystyrene boardstock	UNIDO	62/52	Technical and cost-related issues have been satisfactorily addressed
Refrigeration sector				
Syrian Arab Republic	Phase-out of HCFC-22 and HCFC-141b from the manufacture of unitary air-conditioning equipment and rigid polyurethane insulation panels at Al Hafez Group	UNIDO	62/50	Technical and cost-related issues have been satisfactorily addressed

Table 4. HPMPs for LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Armenia	HCFC phase-out management plan (stage I)	UNDP/ UNEP	62/19	All issues have been satisfactorily addressed
Belize	HCFC phase-out management plan (stage I)	UNDP/ UNEP	62/21	All issues have been satisfactorily addressed
Dominica	HCFC phase-out management plan (stage I)	UNEP	62/29	All issues have been satisfactorily addressed
Grenada	HCFC phase-out management plan (stage I)	UNEP	62/33	All issues have been satisfactorily addressed
Madagascar	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/38	All issues have been satisfactorily addressed
Malawi	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/39	All issues have been satisfactorily addressed
Serbia	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/47	All issues have been satisfactorily addressed
Turkmenistan	HCFC phase-out management plan (stage I)	UNIDO	62/53	All issues have been satisfactorily addressed
HPMPs with high levels of consumption and requests for LVC status				
Burkina Faso	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/23	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Chad	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/25	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Gabon	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/31	High levels of HCFC consumption. All other issues have been satisfactorily addressed
Togo	HCFC phase-out management plan (stage I)	UNEP/ UNIDO	62/51	High levels of HCFC consumption. All other issues have been satisfactorily addressed
HPMPs with other policy issues				
Bhutan	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/22	Accelerated HCFC phase-out and request for additional funding; IS project as a component of the HPMP; additional funding for the assembly subsector
Nepal	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/42	Accelerated HCFC phase-out and request for additional funding
Sri Lanka	HCFC phase-out management plan (first tranche)	UNDP/ UNEP	62/48	Accelerated HCFC phase-out and request for additional funding; IS project as a component of the HPMP

Table 5. HPMPs for non-LVC countries submitted for individual consideration

Country	Project	Agency	ExCom	Issue
HPMPs with no outstanding issues				
Colombia	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNEP	62/27	Technical and cost-related issues have been satisfactorily addressed
Indonesia	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNIDO/ World Bank	62/35	Technical and costs issues still under discussion (pending)
Islamic Republic of Iran	HCFC phase-out management plan (stage I, first tranche)	UNDP/ UNEP/ UNIDO/ Germany	62/36	Technical and costs issues still under discussion (pending)
Nigeria	HCFC phase-out management plan (stage I, first tranche) and demonstration project to validate the trans-critical CO ₂ refrigeration technology for application to ice-block makers at Austin Laz.	UNDP/ UNIDO/ Japan	62/43	Technical and cost-related issues have been satisfactorily addressed
Pakistan	HCFC phase-out management plan (stage I, first tranche)	UNEP/ UNIDO	62/44	Technical and cost-related issues have been satisfactorily addressed

Table 6. HCFC phase-out activities in China (UNEP/OzL.Pro/ExCom/62/26)

Phase-out activity	Agency
HCFC phase-out management plan (HPMP) for China: Overarching strategy summary	UNDP
Sector plan for phase-out of HCFC-141b in the foam sector (phase I)	World Bank
Sector plan for phase-out of HCFCs in the extruded polystyrene (XPS) foam sector (phase I)	Germany/UNIDO
Demonstration project for conversion from HCFC-22/HCFC-142b technology to CO ₂ with methyl formate co-blowing technology in the manufacture of XPS foam at Feininger (Nanjing) Energy Saving Technology Co. Ltd.	UNDP
Demonstration project for conversion from HCFC-22 to butane blowing technology in the manufacture of XPS foam at Shanghai Xinzhaoh Plastic Enterprises Co. Ltd.	UNIDO/Japan
Sector plan for HCFC phase-out in the industrial and commercial refrigeration and air conditioning sectors (stage I)	UNDP
HCFC-22 phase-out management plan for the room air-conditioner manufacturing sector	UNIDO
Demonstration project for conversion from HCFC-141b-based technology to iso-paraffin and siloxane (KC-6) technology for cleaning in the manufacture of medical devices at Zhejiang Kindly Medical Devices Co. Ltd.	UNDP/Japan

Action expected from the Executive Committee: The Executive Committee may wish to consider whether to approve each of the projects listed in the table above on the basis of the discussions held under agenda item 7(a), information provided in the relevant project proposal document including the Secretariat's comments, any additional documents circulated in accordance with decision 41/80 and, any information provided at the meeting by the Secretariat or the relevant implementing/bilateral agency.

8. Incremental costs related to retooling for manufacturing heat exchangers (decision 61/45)

Document UNEP/OzL.Pro/ExCom/62/55 prepared by the Secretariat contains the issue of incremental costs related to retooling for manufacturing heat exchangers brought to our attention since our 59th Meeting. It was prepared pursuant to decision 61/45(c).

Issues to be addressed:

- Whether the conversion of heat exchanger production would be considered as an incremental cost.

Action expected from the Executive Committee: The Executive Committee may wish to consider not treating as an incremental cost, in the case of conversion of refrigeration or air-conditioning systems from HCFCs to non-flammable HFCs, the capital costs related to retooling for a change in diameter of the tubing within tube-and-fin heat exchangers, since these are considered to constitute an avoidable technology upgrade.

9. Report on the Multilateral Fund climate impact indicator (decision 59/45)

[Text to be included in UNEP/OzL.Pro/ExCom/62/1/Add.2]

10. Report of the Production Sector Sub-group

Document UNEP/OzL.Pro/ExCom/62/57 will be issued during the 62nd Meeting and it will provide a report of the meeting of the Production Sector Sub-group to take place in the margins of the Meeting. The document will contain an account of the Sub-group's consideration of a provisional agenda, Request for replenishing the sub-account for the technical audits of the ODS Production Sector, Request for authorization to carry out the technical audit of the HCFC Production Sector in China, and Work to-date on remaining elements of a final decision with respect to the HCFC production sector (documents UNEP/OzL.Pro/ExCom/62/SGP/1-4).

11. Accounts of the Multilateral Fund

(a) 2009 final accounts

Document UNEP/OzL.Pro/ExCom/62/58 presents the 2009 financial statements of the Multilateral Fund, the four implementing agencies and the Secretariat.

Issues to be addressed: None.

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

- (a) To note the audited financial statement of the Fund as at 31 December 2009 as contained in Annex I of document UNEP/OzL.Pro/ExCom/62/58;
- (b) To note that the audit report done by the UN Board of Auditors referred to the ageing of the Multilateral Fund long-outstanding pledges and recommended that UNEP should consider formulating an accounting policy for the treatment of long outstanding pledges;
- (c) To request the Treasurer to bring to the Committee's attention any change UNEP intends to make in the presentation in the MLF accounts in respect of the long outstanding pledges;
- (d) To request the Treasurer to bring to the Executive Committee's attention any change in the current practice of separating the MLF accounts from UNEP's accounts; and

- (e) To request the Treasurer to record in the 2010 accounts the differences between the agencies' provisional statements and their final 2009 accounts as reflected in tables 1 and 2 of document UNEP/OzL.Pro/ExCom/62/58.

(b) Reconciliation of the accounts (decision 59/50)

Document UNEP/OzL.Pro/ExCom/62/59 presents the 2009 reconciliation of the accounts exercise prepared as per decision 38/9(d) which, inter alia, requested that a full reconciliation of the accounts with the progress and financial reports be prepared for the last meeting of each year.

Issues to be addressed: None.

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

- (a) Note the reconciliation of the 2009 accounts as presented in document UNEP/OzL.Pro/ExCom/62/59.
- (b) Request the implementing agencies to carry out 2009 adjustments in 2010 as follows:
 - (i) UNDP to adjust its records of approved amount by US \$(19), and its records of income by US \$9 in its Progress Report; and
 - (ii) UNEP to adjust its records of approved amount by \$7 in its Progress Report; and US \$222,749 income not reflected in its Progress Reports.
- (c) Request the Treasurer:
 - (i) To transfer US \$81 that had been overlooked during the transfers made to UNEP for the approved amount at the 55th Meeting and 56th Meeting of the Executive Committee; and
 - (ii) To refund to the World Bank an amount of US \$64,500 to rectify the double deduction on the transfer of the Chile Halon project (CHI/HAL/42/TAS/156).
- (d) To note the 2009 reconciling items as follows:
 - (i) US \$197 additional expenditure in UNIDO's 2009 Accounts;
 - (ii) US \$8 reported as a rounding difference in UNEP's income; and
 - (iii) US \$1,198,946 for the return of the loan of Thai Chiller project (THA/REF/26/INV/104) still recorded in the World Bank's 2009 Financial Statement as income.
- (e) To note the standing reconciling items for UNDP and the World Bank as follows:
 - (i) UNDP standing reconciling items for unspecified projects at the amounts of US \$68,300 and US \$29,054;
 - (ii) World Bank standing reconciling items for the following projects:
 - Sweden bilateral (THA/HAL/29/TAS/120) at the amount of US \$225,985;
 - US bilateral (CPR/PRO/44/INV/425) at the amount of US \$5,375,000;

- US bilateral (CPR/PRO/47/INV/439) at the amount of US \$5,375,000; and
- US \$8 investment income adjustment.

12. Agreement between UNEP as Treasurer of the Multilateral Fund and the Executive Committee (decision 59/51)

Document UNEP/OzL.Pro/ExCom/62/60 contains feedback received from the Treasurer on its services to the Multilateral Fund in order to address decision 59/51 with respect to the UN audit, data on expenditures between 2004 and 2009 and, to the extent possible, to provide a plan of its expenditure data as part of its future treasury services. It also contains a recommendation on the level of fees for the services of the Treasurer.

Issues to be addressed:

- Annual fees for Treasury services
- Reporting expenditures of annual fees

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

- (a) To note the Treasurer's indicative report on its 2004 – 2009 expenditures;
- (b) To note that the UN audit report did not contain any observation on the services of the Treasurer;
- (c) To consider approving the Treasurer's proposal to maintain the existing level of its fees of US \$500,000 per annum until UNEP reverts to the Executive Committee; and
- (d) To request the Treasurer to include in the accounts of the Multilateral Fund Secretariat an indicative breakdown of the US \$500,000 annual fees for the provision of treasury services, as shown in table 1 of document UNEP/OzL.Pro/ExCom/62/60.

13. Revised 2011, 2012 and proposed 2013 budgets of the Fund Secretariat

Document UNEP/OzL.Pro/ExCom/62/61 presents a revision to the 2011 budget for which the personnel component was approved and maintained by decision 56/68(c) and 60/49(a) of the Executive Committee, and proposes the 2013 budget to cover staff costs in 2013. The document also presents the 2012 personnel component costs as approved and maintained by decisions 59/52(b) and 60/49(a).

Issues to be addressed: None.

Action expected from the Executive Committee: The Executive Committee is invited:

- (a) To approve the additional amount of US \$3,034,869 in the revised 2011 budget of the Fund Secretariat to cover the operational costs of the Secretariat resulting in a total of US \$6,806,622 with the inclusion of the 2011 personnel component costs already approved at the 56th Meeting of the Executive Committee;
- (b) To note the amount of US \$3,884,905 for the 2012 personnel component costs already approved at the 59th Meeting and maintained at the 60th Meeting;

- (c) To approve the proposed 2013 personnel component costs of the budget totalling US \$4,001,453; and
- (d) To note that the personnel component costs referred to in paragraphs (b) and (c) above will be subject to any decision taken at the 65th Executive Committee Meeting on the 3 per cent inflation rate applied in line with decision 60/49(b).

14. Other Matters

The substantive issues agreed for inclusion on agenda item 2(a) will be taken up under this agenda item.

15. Adoption of the report

The Committee will have in front of it the draft report of the 62nd Meeting for its consideration and adoption.

16. Closure of the meeting

The meeting is expected to be closed on Friday, 3 December 2010.
