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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

**LETTER FROM THE GOVERNMENT OF BANGLADESH ON DECISIONS 57/28 AND 60/35
OF THE EXECUTIVE COMMITTEE**

1. The Secretariat has received on 1 November 2010 a letter from the Government of Bangladesh regarding the penalty clauses applied by the Committee when it considered the release of funding for the second to the sixth tranches of its national phase-out plan. The Government of Bangladesh has requested the Secretariat “to put up the issue to the upcoming ExCom of MLF and to release the deducted amount as it is necessary to sustain compliance under Montreal Protocol”.
2. The letter, as submitted by the Government of Bangladesh, is attached to this document.
3. To assist the members of the Executive Committee, the Secretariat is reproducing below the relevant paragraphs of decisions 57/28 and 60/35 on the funding deductions applied to Bangladesh on its national phase-out plan:

Decision 57/28:

- “(c) To apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee calculated, on an exceptional basis, at 5 per cent of the amount for each of the second, third and fourth tranches being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis of the following considerations that:
- (i) The levels of CFCs used in the refrigeration servicing sector alone had been reduced from 232.1 ODP tonnes in 2004 to 59.9 ODP tonnes in 2008;
 - (ii) The status of non-compliance by Bangladesh with its Agreement was attributable to a large extent to the CFC consumption associated with the manufacturing of CFC metered-dose inhalers (MDIs), for which a phase-out project had only been approved by the Executive Committee at its 52nd Meeting, in 2007;

- (d) Using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$44,575 for the second, third and fourth tranches of the national ODS phase out plan for Bangladesh;”

Decision 60/35

- “(e) To apply the penalty clause in the Agreement between the Government of Bangladesh and the Executive Committee, calculated, at 50 per cent of the amount for each of the fifth and sixth tranches being submitted to the Executive Committee for approval, for reasons of non-compliance with the Agreement, on the basis that no sufficient and timely regulatory controls on imports of CFCs for the refrigeration servicing sector had been applied to curtail consumption in the sector;
- (f) Using the method outlined in sub-paragraph (c) above, to apply a total penalty of US \$81,500 for the fifth and sixth tranches of the NPP for Bangladesh;”
