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EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Sixty-seventh Meeting
Bangkok, 16-20 July 2012

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/67/1 contains the provisional agenda for the 67th meeting of the Executive Committee.

Issues to be addressed: None

Action expected from the Executive Committee: The Committee might wish to adopt the Agenda of the meeting on the basis of the Provisional Agenda as contained in document UNEP/OzL.Pro/ExCom/67/1 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/67/2 presents a report on the activities of the Secretariat since the 66th meeting of the Executive Committee. The document includes information on the follow-up activities implemented by the Secretariat on the outcome of the 66th meeting, the preparations for the 67th 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.

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/67/2).

4. Status of contributions and disbursements

Document UNEP/OzL.Pro/ExCom/67/3 provides information on the Status of the Fund as recorded at UNEP as of 8 June 2012. At that date, the Fund balance stood at US \$38,271,333. This is the net balance after taking into account all the funds approved by the Executive Committee, up to and including the 66th meeting.

Issues to be addressed:

- Encashment of German promissory notes within the replenishment period.

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

(a) Note:

- (i) 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/67/3;
 - (ii) The list of Parties (as contained in Annex I to this report) that had opted to use the fixed-exchange rate mechanism in making their contributions to the Fund during the replenishment period 2012 - 2014;
 - (iii) The feedback received from the Government of Germany on the proposed accelerated encashment schedule that it would not be possible to accelerate encashment of the notes during the current replenishment period and that it requires the German Parliament's approval for the next replenishment period;
 - (iv) That the encashment schedule of the German promissory notes for the 2012 - 2014 triennium goes beyond this replenishment period and that some of the notes are due for encashment between 2015 and 2017;
- (b) Request the Government of Germany to pursue with the relevant authorities the issue of encashment of the German promissory notes within the replenishment period, and advise the Committee accordingly before the last meeting of the replenishment period in 2014; and
- (c) Urge all Parties with outstanding pledges 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/67/4 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 67th meeting of the Executive Committee.

Issues to be addressed:

- Outstanding balances for project completed in 2006 and 2007.

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

- (a) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/67/4;
 - (b) That the net level of funds being returned by the implementing agencies to the 67th meeting was US \$1,958,285 against projects, which included the return of US \$1,190,304 from UNDP, US \$296,503 from UNEP, US \$295,883 from UNIDO and US \$175,595 from the World Bank;
 - (c) That the net level of support costs being returned by the implementing agencies to the 67th meeting was US \$139,727 against projects, which included the return of US \$72,986 from UNDP, US \$25,094 from UNEP, US \$22,274 from UNIDO and US \$19,373 from the World Bank;
 - (d) That implementing agencies had balances totalling US \$1,073,513, excluding support costs, from projects completed over two years previously, which included US \$282,707 for UNDP, US \$199,653 for UNEP and US \$591,153 for UNIDO;
 - (e) The feedback received from UNDP, UNEP and UNIDO on the projects with long outstanding obligated balances completed in 2005, 2006 and 2007 and to request the Implementing Agencies with projects completed in 2006 and 2007 to return the balances as soon as possible.
 - (f) That the Government of France still had un-obligated balances totalling US \$78,440, excluding support costs, attributed to a project completed over two years previously; and
 - (g) The net level of funds being returned by the Government of Sweden to the 67th meeting was US \$114,046 and to request the Treasurer to follow up with Sweden on its return in cash to the Fund.
- (b) 2012-2014 business plans and annual tranche submission delays**

Document UNEP/OzL.Pro/ExCom/67/5 considers business planning in light of approvals at the 66th meeting, submissions to the 67th meeting, and allocations in the 2012-2014 business plans. Firstly, it addresses decisions taken at the 66th meeting with respect to the 2012-2014 business plans, and presents the value of activities that were not submitted to either the 66th or 67th meetings but were included in the 2012 business plans, and identifies projects required for compliance. It also assesses the forward commitments approved to-date as well as those submitted for approval to the 67th meeting in an addendum, and concludes with observations and recommendations. This document includes information on submission delays, namely the submission of tranches that were due at the 67th meeting, Germany's adjusted 2012-2014 business plan, and presents observations and recommendations for consideration by the Executive Committee.

Issues to be addressed:

- Approvals at the 66th meeting exceeded the allocations for them in the business plan by US \$6.5 million in 2012 and US \$8.1 million in 2013 and 2014;

- Requests submitted to the 67th meeting exceed the business plan allocation by US \$50 million in 2012, US \$48.09 of this is attributed to the request for the production sector in China;
- Germany's adjusted 2012-2014 business plan is within its 20 per cent bilateral allocation for the 2012-2014 triennium; and
- Eleven HPMP tranches for five countries were not submitted to the 67th meeting representing a deferred value of US \$14.8 million.

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

- (a) Noting:
- (i) The report on the status of the 2012-2014 business plans and tranche submission delays as contained in document UNEP/OzL.Pro/ExCom/67/5;
 - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP, UNEP, UNIDO and Germany as contained in document UNEP/OzL.Pro/ExCom/67/5;
 - (iii) That seven out of 18 tranches of MYAs due for submission had been submitted on time to the 67th meeting;
 - (iv) That the total value of the German business plan for the 2012-2014 triennium is within Germany's allocation for bilateral activities;
- (b) Staying within the business plan allocations for the 2012-2014 triennium as much as possible to enable it to provide HCFC phase-out management plan (HPMP) funding for all remaining eligible countries that have not yet received funding during the current triennium; and
- (c) Requesting the Secretariat to send a letter to the relevant Governments to urge the submission of the second tranche of the HPMP to the 68th meeting for Brazil, Chile, Iran (Islamic Republic of), Mexico and Saint Lucia.
- (d) Updated model rolling three-year phase-out plan: 2013-2015 (decision 62/5)**

Document UNEP/OzL.Pro/ExCom/67/7 contains an updated model rolling three-year phase-out plan for 2013-2015 triennium in line with decision 62/5(d) whereby the Committee requested the Secretariat to present an updated model to its second meeting in 2012 to provide guidance, as relevant, for the preparation of a business plan for the Multilateral Fund for 2013-2015.

Issues to be addressed:

- Whether to request the Secretariat to assess the HCFC compliance requirements for all Article 5 countries under the document on status reports and compliance to be used as a guide for the preparation of the business plan of the Multilateral Fund, once the guidelines for HCFC production sector and stage II of the consumption sector have been decided.

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

- (a) Noting the document on the 2013-2015 model three-year phase-out plan contained in document UNEP/OzL.Pro/ExCom/67/17;
- (b) Urging bilateral and implementing agencies to work with those Article 5 countries that have not yet an approved HCFC phase-out management plan (HPMP) to complete the preparation of their HPMPs and submit them for consideration of the Executive Committee;
- (c) Requesting the Secretariat to assess the HCFC compliance requirements for all Article 5 countries under the document on status reports and compliance to be used as a guide for the preparation of the business plan of the Multilateral Fund, once the guidelines for HCFC production sector and stage II of the consumption sector have been decided.

6. Programme implementation

(a) Monitoring and evaluation

(i) Terms of reference for the evaluation of the multi-year agreement projects (second phase) (decision 66/12)

Document UNEP/OzL.Pro/ExCom/67/8 presents the Terms of reference for the evaluation of the multi-year agreement projects (second phase). This revised version has been prepared pursuant to decision 66/12 and to additional issues requested to be addressed by members of the Executive Committee, bilateral and implementing agencies during the 66th meeting of the Committee.

Issues to be addressed: None.

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

- (a) To note the terms of reference for the evaluation of the multi-year agreement projects (second phase) presented in document UNEP/OzL.Pro/ExCom/67/8; and
- (b) To consider whether the evaluation should focus on non-low-volume-consuming (non-LVC) countries only or on both LVC and non-LVC countries.

(b) Progress reports as at 31 December 2011

(i) Consolidated progress report

Document UNEP/OzL.Pro/ExCom/67/10 summarises the progress and financial information on the implementation of projects and activities supported by the Fund up to 31 December 2011. The report consists of three parts and three annexes: Part I is a summary of implementation progress at the country level; Part II is a summary of activities to the end of 2010; and Part III contains comments and recommendations made by the Fund Secretariat. Annex I contains project implementation data, by country, and Annex II is an analysis of data from the progress reports.

Issues to be addressed:

- Streamlining in the annual progress and financial report and information in the Remarks column of progress reports;
- Implementation delays and ongoing investment projects for CFC phase-out;

- Project completion reports for MYAs;
- Accounting for the funds from CFC activities that are to be used for HPMP implementation;
- HCFC activities, HCFC phase-out project preparation and initiation of HCFC phase-out management plans (HPMPs);
- Institutional strengthening, ODS disposal, Chiller, and Metered-dose inhaler (MDI) projects; and
- Administrative costs represented 10.48 per cent of project approvals in 2011.

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

- (a) Note:
- (i) The Consolidated Progress Report of the Multilateral Fund as contained in document UNEP/OzL.Pro/ExCom/67/10;
 - (ii) With appreciation the efforts of the implementing agencies to address decision 66/16(d) in the limited time available to them but to encourage the agencies to fully implement all of the elements of the Operational Guidelines for the Remarks columns in annual progress and financial reports submitted after the 67th meeting;
- (b) Urge countries to expedite the completion of the following individual CFC phase-out projects that have planned completion dates after 2012: metered-dose inhaler (MDI) projects in Argentina, China, India and Pakistan; one chiller project in Cote d'Ivoire; one solvent project in Argentina; and one pharmaceutical aerosol sector project in China.
- (c) Request implementing agencies to submit project completion reports (PCRs) for outstanding multi-year agreements (MYAs) not later than the 70th meeting and that PCRs for stage I of HPMPs be submitted not later than the submission of the second tranche of stage II of the HPMPs; and
- (d) Request the implementing agencies to identify in PCRs the amount of funds used for HCFC activities from the balances for CFC activities.

(ii) Bilateral agencies

Document UNEP/OzL.Pro/ExCom/67/11 contains the progress report on activities up to 31 December 2011 implemented under bilateral cooperation by: Australia, Canada, France, Germany, Italy, Japan, Portugal, Spain and Sweden. Progress reports have not been received from the Czech Republic, Israel and Switzerland.

Issues to be addressed:

- Progress reports not submitted by Czech Republic, Israel and Switzerland;
- Need for resolution to the financial mechanism and co-financing issues for the CFC chiller project in Africa, for some countries;
- Low disbursement for some HCFC phase-out management plans and a CFC phase-out project;
- Establishment of a licensing system for a country that has submitted its HPMP to the 65th meeting; and
- Preparation for a demonstration project on ODS disposal and completion of an HCFC demonstration project.

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

- (a) Note with appreciation the progress reports submitted by the Governments of Australia, Canada, France, Germany, Italy, Japan, Portugal, Spain and Sweden contained in document UNEP/OzL.Pro/ExCom/67/11;
- (b) Request:
 - (i) The Governments of the Czech Republic, Israel and Switzerland to provide their progress reports;
 - (ii) The Governments of the Czech Republic, France, Israel, Italy, Japan and Spain to provide reports on the projects with implementation delays listed in Table 2 of document UNEP/OzL.Pro/ExCom/67/11;
 - (iii) The submission of additional status reports to the 68th meeting to monitor:
 - a. The resolution to the financial mechanism and co-financing issues for Nigeria, Senegal and the Sudan by the 68th meeting as a milestone for achievement in order to avoid consideration of possible cancellation in those countries of the “strategic demonstration project for accelerated conversion of CFC chillers in African Countries” (AFR/REF/48/DEM/36), implemented by France;
 - b. The proposed next action for achievement in order to avoid consideration of possible cancellation of the project “African customs enforcement networks for preventing illegal trade of ODS in the African sub-regional trade organizations” (AFR/SEV/53/TAS/39), implemented by France;
 - c. Project implementation progress for the HCFC phase-out management plans with low disbursement in Afghanistan (AFG/PHA/63/INV/13) rates, Iran (Islamic Republic of) (IRA/PHA/63/INV/201), and Papua New Guinea (PNG/PHA/63/INV/11), implemented by Germany;
 - d. Actions taken by Botswana towards the establishment of the licensing system for ODS imports and exports, implemented by Germany;
 - e. Project implementation progress for the CFC phase-out project with low disbursement in Senegal (SEN/PHA/57/INV/28), implemented by Italy;
 - f. The completion of the HCFC demonstration project in Colombia (COL/FOA/60/DEM/75) implemented by Japan, if it is not completed by the 68th meeting;
 - g. The resolution to the financial mechanism and co-financing issues for Nigeria, Senegal and the Sudan by the 68th meeting as a milestone for achievement in order to avoid consideration of possible cancellation in those countries of the “strategic demonstration project for accelerated conversion of CFC chillers in African Countries” (AFR/REF/48/DEM/35), implemented by Japan; and

- h. The preparation for a demonstration project on ODS disposal in the Asia and Pacific Region (ASP/DES/54/PRP/53), implemented by Japan, if the request for funding is not submitted to the 68th meeting.

(iii) UNDP

Document UNEP/OzL.Pro/ExCom/67/12 contains the progress report of UNDP for activities up to 31 December 2011 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- US \$213.9 million has been approved in multi-year agreements (MYAs) for UNDP implementation and there was a balance of US \$55.7 million as at 31 December 2011;
- MYAs approved over a year ago for which less than 10 per cent of the funds approved have been disbursed;
- Projects classified as projects with implementation delays that are subject to procedures for project cancellation;
- Low rates of disbursements of approved funds and/or slow implementation of activities; and
- Project document signature for HCFC phase-out management plan (HPMP) activities and ODS disposal preparation activity.

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

- (a) Note:
 - (i) UNDP's Progress Report contained in document UNEP/OzL.Pro/ExCom/67/12;
 - (ii) That there remain significant balances for several projects for CFC activities as indicated in Table 1 of document UNEP/OzL.Pro/ExCom/67/12;
 - (iii) That the cumulative fund balance is estimated at US \$577,931 for the four refrigerant management plan (RMP) activities in Barbados (BAR/REF/43/TAS/12), Brunei Darussalam (BRU/REF/44/TAS/10), Maldives (MDV/REF/38/TAS/05) and Sri Lanka (SRL/REF/32/TAS/15) approved up to the end of 2011;
 - (iv) That UNDP would report to the 68th meeting on up to four projects with implementation delays including three projects that were classified as such in 2010;
- (b) Request:
 - (i) The submission of additional status reports to the 68th meeting to monitor:
 - a. The finalization of the implementation plan for the "awareness and incentive programme" in Maldives (MDV/REF/38/TAS/05);
 - b. Projects with issues related to:
 - i. Equipment procurement process or delivery for the: terminal CFC phase-out management plan (TPMP) in Dominica

- (DMI/PHA/61/INV/17), the TPMP for Annex A Group I substances in Guatemala (GUA/PHA/56/INV/35), the TPMP for Annex A Group I substances in Paraguay (PAR/PHA/60/INV/26), the TPMP in Saint Kitts and Nevis (STK/PHA/56/INV/13), and the TPMP in the United Republic of Tanzania (URT/PHA/58/INV/28);
- ii. Political situation in the case of the TPMP in Bahrain (BAH/PHA/59/INV/22);
 - iii. Implementation progress on the 11 multi-year agreements (MYAs) for the HCFC phase-out management plans (HPMPs) approved over one year ago and for which no disbursement has been recorded: Belize, Bhutan, Cambodia, Chile, Georgia, Guyana, Iran (Islamic Republic of), Maldives, Paraguay, Sri Lanka, and Timor-Leste;
 - iv. Delays in signing project document/letter of agreement for the HPMPs in Bhutan, Chile, Georgia and Guyana;
- c. Projects due to slow implementation of activities:
- i. The institutional strengthening (IS) projects in Georgia (GEO/SEV/63/INS/31) and Trinidad and Tobago (TRI/SEV/59/INS/24);
 - ii. The ODS disposal project preparation activities in Brazil (BRA/DES/57/PRP/288) to monitor progress;
 - iii. The ODS disposal preparation activities in India (IND/DES/61/PRP/437) if it is not submitted to the 68th meeting;
 - iv. The ODS bank management and destruction demonstration preparation project in Georgia (GEO/DES/64/PRP/32) to monitor the signing of the project document by the 68th meeting as a milestone for achievement in order to avoid consideration of possible cancellation;
- d. Projects due to low rates of disbursements of approved funds:
- i. The RMP in Barbados (BAR/REF/43/TAS/12);
 - ii. The RMP component for the technical assistance for the refrigeration service and mobile air-conditioning (MAC) sectors in Brunei Darussalam (BRU/REF/44/TAS/10);
 - iii. The “national halon bank management plan update” in the Dominican Republic (DOM/HAL/51/TAS/39);
 - iv. The “halon consumption phase-out: technical assistant programme and halon recycling and recovery equipment” project in Chile (CHI/HAL/51/TAS/164);

- v. 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” in Brazil (BRA/REF/47/DEM/275);
- vi. 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” in Colombia (COL/REF/47/DEM/65);
- vii. The pilot demonstration project on ODS waste management and disposal in Cuba (CUB/DES/62/DEM/46); and
- viii. The metered-dose inhaler (MDI) conversion project in Pakistan (PAK/ARS/56/INV/71).

(iv) UNEP

Document UNEP/OzL.Pro/ExCom/67/13 contains the progress report of UNEP for activities up to 31 December 2011 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- US \$21.02 million has been approved in multi-year agreements (MYAs) for UNEP implementation of which there was a balance of US \$9.83 million as at 31 December 2011;
- MYAs approved before the 64th meeting for which less than 10 per cent of the funds approved have been disbursed;
- Projects classified as projects with implementation delays that are subject to procedures for project cancellation;
- Low rates of disbursements of approved funds and/or slow implementation of activities.
- MYA not signed;
- Institutional strengthening (IS) agreements not signed;
- Use of terminal phase-out management plan (TPMP) funds balances for HCFC phase-out activities;
- Delay in the preparation of HCFC phase-out management plan (HPMP); and
- TPMP verification reports that have not been completed.

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

- (a) Note:
 - (i) UNEP’s progress report contained in document UNEP/OzL.Pro/ExCom/67/13;
 - (ii) That there remain significant balances for several projects for CFC activities as indicated in Table 1 of document UNEP/OzL.Pro/ExCom/67/13;
 - (iii) That UNEP has four projects classified with implementation delays, including one that was classified as such last year, and that a report on these projects should be submitted to the 68th meeting;

- (iv) The report on expenditures for the 2011 CAP budget and the return of funds pursuant to decision 35/36(d);
- (b) Urge:
 - (i) UNEP and the Government of Mauritania to finalize arrangements to enable the release of funding for the institutional strengthening (IS) project in Mauritania (MAU/SEV/57/INS/23);
 - (ii) The Government of Morocco to provide the required progress and expenditure reports to enable the release of funds for its IS project (MOR/SEV/59/INS/63);
 - (iii) UNEP and the Government of Mauritania to enable the HCFC phase-out management plan (HPMP) project preparation to be finalized (MAU/PHA/55/PRP/20) in the country;
 - (iv) UNEP to publish the “study on challenges associated with halon banking in developing countries” in the global region (GLO/HAL/52/TAS/281) by the 68th meeting in order to avoid consideration of possible return of project funds;
 - (v) UNEP to submit the outstanding terminal phase-out management plan (TPMP) verification reports for Kuwait (KUW/PHA/57/TAS/15) and Zambia (ZAM/PHA/57/TAS/25) as soon as possible;
- (c) Request the submission of additional status reports to the 68th meeting to monitor:
 - (i) Project progress for the ODS or CFC phase-out plans in Ecuador, and the methyl bromide (MB) phase-out plan in Guatemala in light of the fact that they were approved over a year ago and have disbursement levels below 10 per cent;
 - (ii) The signing of the agreement for the IS project in Benin (BEN/SEV/62/INS/24) and Sao Tome and Principe (STP/SEV/63/INS/20);
 - (iii) Deposit of the instrument of ratification of the Beijing Amendment by the Governments of Ecuador, Haiti and Peru;
 - (iv) Implementation of the revised plan of activities for the IS project in Haiti (HAI/SEV/59/INS/16);
 - (v) Progress for the IS projects in Yemen (YEM/SEV/59/INS/34) in light of the security situation in the country, and in Algeria (ALG/SEV/57/INS/69) since no disbursement occurred in 2011;
 - (vi) The closing of the refrigerant management plan (RMP) for Yemen (YEM/REF/37/TAS/19);
 - (vii) HPMP project preparation activities in Barbados (BAR/PHA/55/PRP/18), Ethiopia (ETH/PHA/56/PRP/19), Haiti (HAI/PHA/57/PRP/13), Mauritania (MAU/PHA/55/PRP/20), Saudi Arabia (SAU/PHA/55/PRP/06), Uganda (UGA/PHA/56/PRP/14) and Yemen (YEM/PHA/55/PRP/30) if these projects are not submitted to the 68th meeting and Bahrain (BAH/PHA/55/PRP/19) if the project is not resubmitted to the 68th meeting;

- (viii) HPMPs with issues related to:
- a. Agreement not being signed for Samoa;
 - b. Delay in signing the agreement for the Micronesia (Federated States of), Marshall Islands (the), and Palau;
 - c. Government requirements for disbursement in the case of Chile and Colombia;
 - d. Delay in signing the agreement for Paraguay but HPMP funds programmed for 2012 to 2014;
 - e. Delay in signing the agreement and change in staff composition at the National Ozone Unit (NOU) in the case of Timor-Leste;
 - f. Rationalization of resources for Honduras and Dominica;
 - g. Government changes and/or absence of National Ozone Officer (NOO) for Gabon, Guyana, and Sao Tome and Principe; and
 - h. Delay in payment of funds by local UNDP office to the NOU despite early dispatch of authorisation from UNEP in the case of Swaziland.

(v) **UNIDO**

Document UNEP/OzL.Pro/ExCom/67/14 contains the progress report of UNIDO for activities up to 31 December 2011 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- US \$255.4 million has been approved in multi-year agreements (MYAs) for UNIDO implementation and there was a balance of US \$101.5 million as at 31 December 2011;
- MYAs approved over a year ago for which less than 10 per cent of the funds approved have been disbursed;
- Some delays in institutional strengthening (IS), methyl bromide (MB) demonstration, and chiller projects;
- Several project preparation activities for MB, HCFC phase-out management plans (HPMPs) and ODS disposal are delayed;
- Low rates of disbursements of approved funds and/or slow implementation of activities; and
- Need for resolution to the financial mechanism and co-financing issues for the CFC chiller project in Africa, for some countries.

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

- (a) Note:
- (i) UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/67/14;
 - (ii) That there remain significant balances for several projects for CFC activities as indicated in Table 1 of document UNEP/OzL.Pro/ExCom/67/14;

- (iii) That the remaining fund balances from the terminal phase-out management plan (TPMP) in Qatar (QAT/PHA/53/INV/09 and QAT/PHA/59/INV/13) and the national phase-out plans (NPPs) in Algeria (ALG/PHA/58/INV/71) and Saudi Arabia (SAU/PHA/53/INV/03 and SAU/PHA/61/INV/10) would be used for HCFC phase-out activities;
 - (iv) That UNIDO will report to the 68th meeting on up to ten projects with implementation delays including five projects that were classified as such in 2010;
- (b) Request:
- (i) A resolution to the financial mechanism and co-financing issues for the CFC chiller project in Africa (AFR/REF/48/DEM/37) for Nigeria, Senegal and the Sudan by the 68th meeting as a milestone for achievement by the 68th meeting in order to avoid consideration of possible cancellation for those project components in those countries;
 - (ii) The submission of additional status reports to the 68th meeting to monitor:
 - a. Projects with issues related to:
 - i. Equipment procurement process or delivery and distribution of equipment for the national ozone-depleting substances phase-out plan in Albania, the refrigeration servicing sector CFC phase-out plan in China, the TPMP for CFCs in Eritrea, the CTC phase-out for the consumption and production sectors in India, the TPMP in Montenegro, the terminal ODS phase-out umbrella project in the solvent sector in Nigeria, the TPMP in Congo (the), the NPPs in Saudi Arabia and Venezuela (Bolivarian Republic of);
 - ii. Political and/or security situations for: the TPMP in Guinea, the NPP in Iraq, the TPMP in Cote d'Ivoire, the NPP in Libya, the national CFC phase-out plan in Syrian Arab Republic, the national ODS phase-out plan in Yemen;
 - iii. Customs clearance and tax exemption for the national CFC phase-out plan in Argentina;
 - iv. Communication problem with the National Ozone Unit or beneficiaries for the TPMP in Burundi and the NPP in Libya;
 - b. Progress of the institutional strengthening project in Qatar (QAT/SEV/59/INS/15);
 - c. Completion of the selection of national experts for the methyl bromide (MB) demonstration project in Algeria and Tunisia (AFR/FUM/54/DEM/40);
 - d. The chiller projects in the Europe and Central Asia region with respect to the reallocation of the supplied chiller in Serbia to another beneficiary (EUR/REF/47/DEM/06);

- e. Project preparation if projects are not submitted to the 68th meeting, for:
- i. The HCFC phase-out management plan (HPMP) preparation activities in: Democratic People's Republic of Korea (the) (DRK/FOA/64/PRP/54, DRK/PHA/64/PRP/55 and DRK/REF/64/PRP/53); Libya (LIB/FOA/63/PRP/33, LIB/PHA/55/PRP/29 and LIB/PHA/63/PRP/32); Mexico (MEX/MUS/58/PRP/146); Tunisia (TUN/FOA/58/PRP/50 and TUN/PHA/55/PRP/48); Turkey (TUR/PHA/55/PRP/91 and TUR/REF/58/PRP/95); Uruguay (URU/REF/60/PRP/55); and Yemen (YEM/FOA/63/PRP/38 and YEM/PHA/55/PRP/29);
 - ii. The selection process of the national expert for the MB project in Ethiopia (ETH/FUM/54/PRP/18);
 - iii. The ODS disposal demonstration projects in Algeria (ALG/DES/59/PRP/74), in the Europe and Central Asia Region (EUR/DES/65/PRP/12), and Lebanon (LEB/DES/61/PRP/72);
 - iv. The following projects due to low rates of disbursements of approved funds: Argentina (ARG/PHA/53/INV/152 and ARG/REF/61/INV/164), Bosnia and Herzegovina (BHE/PHA/52/INV/22), Burkina Faso (BKF/PHA/62/INV/30), Iraq (IRQ/FOA/57/INV/06 and IRQ/REF/57/INV/07), Jordan (JOR/REF/60/INV/86), Pakistan (PAK/FOA/60/INV/78 and PAK/FOA/60/INV/77), Peru (PER/PHA/55/INV/41), Congo (the) (PRC/PHA/60/INV/21), Sudan (the) (SUD/FOA/62/INV/28), Turkmenistan (TKM/PHA/62/INV/08), Togo (TOG/PHA/62/INV/22), Turkey (TUR/FOA/62/INV/97), Serbia (YUG/PHA/62/INV/38, YUG/PHA/60/INV/36, YUG/PHA/47/INV/28 and YUG/PHA/51/INV/31);
 - v. The following HCFC investment projects with low disbursement and/or slow implementation of activities: Chad (CHD/PHA/62/INV/22), Gabon (GAB/PHA/62/INV/27), India (IND/PHA/45/INV/385 and IND/PHA/49/INV/402), Saudi Arabia (SAU/FOA/62/INV/13 and SAU/FOA/62/INV/11);
- f. The disbursement rate of the following technical assistance projects: Kenya (KEN/SOL/57/TAS/47), Serbia (YUG/PHA/60/TAS/35) and Mozambique (MOZ/FUM/60/TAS/20); and
- g. The procurement of the equipment for the project for the phase-out of HCFC-22 and HCFC-141b in aerosol manufacturing at Silimex in Mexico (MEX/ARS/63/INV/156).

(vi) World Bank

Document UNEP/OzL.Pro/ExCom/67/15 contains the progress report of the World Bank for activities up to 31 December 2011 and the comments and recommendations of the Fund Secretariat on the report.

Issues to be addressed:

- Of the US \$635.04 million that has been approved for multi-year agreements (MYAs) for World Bank implementation there remains a balance of US \$56.98 million as at 31 December 2011;
- MYAs approved over a year ago for which less than 10 per cent of the funds approved have been disbursed;
- Delay in the preparation of HCFC phase-out management plan (HPMP);
- Implementation delay in a national CFC phase-out plan (NPP);
- Agreements not signed for ongoing HPMP activities approved by the Executive Committee;
- Possible cancellation for a project preparation activity;
- Delay in submitting an HPMP; and
- Projects classified with implementation delays that are subject to procedures for project cancellation.

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

- (a) Note:
- (i) The World Bank's progress report contained in document UNEP/OzL.Pro/ExCom/67/15;
 - (ii) That the World Bank would report to the 68th meeting on a total of two projects with implementation delays, which were classified as such in 2010;
- (b) Request the submission of additional status reports to the 68th meeting:
- (i) To monitor implementation progress and the staffing of the National Ozone Unit for the national CFC phase-out plan in Thailand (2010-2012 annual implementation plan) (THA/PHA/60/INV/154);
 - (ii) To monitor the signing of the agreement for two HCFC phase-out management plan (HPMP) activities in Viet Nam (VIE/PHA/63/INV/56 and VIE/PHA/63/TAS/58) which were approved over one year ago;
 - (iii) On the global chiller demonstration project (GLO/REF/47/DEM/268) in light of the fact that low disbursement has been reported to-date;
 - (iv) On the ODS disposal preparatory activities in Indonesia (IDS/DES/57/PRP/187) and the Philippines (PHI/DES/57/PRP/85), if these projects are not submitted to the 68th meeting; and
- (c) Consider whether the project preparation activities related to HCFC phase-out investment activities in the domestic air-conditioning sector in the Philippines (PHI/REF/59/PRP/88) should be cancelled and fund balance returned to the Multilateral Fund Secretariat or redirected to other HCFC phase-out activities.
- (c) Evaluation of the implementation of the 2011 business plans**

Document UNEP/OzL.Pro/ExCom/67/16 presents the evaluation of the 2011 business plans of the implementing agencies using the performance indicators adopted in decision 41/93, the revised weightings adopted by decision 47/51 for all agencies, the targets that were adopted for

the 2011 business plans by the Executive Committee (decisions 61/7 to 61/10) and the agencies' progress and financial reports submitted to this meeting. This document also presents a trend analysis for each of the nine performance indicators used in previous years' evaluations and the results of the qualitative assessment of the performance of implementing agencies based on input received from national ozone unit (NOU) officers. It concludes with the Secretariat's observations and recommendations.

Issues to be addressed:

- Quantitative assessment was slightly lower than 2010;
- One bilateral and three implementing agencies received less than satisfactory qualitative assessments from NOUs;
- Need for additional dialogue with one NOU and an implementing agency; and
- Information was not provided by Germany and UNEP in time for the completion of the document.

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

(a) Note:

- (i) The evaluation of the implementing agencies' performance against their 2011 business plans as contained in document UNEP/OzL.Pro/ExCom/67/16;
- (ii) The quantitative assessment of the performance of the implementing agencies for 2011 on a scale of 100 as follows: UNDP (89), UNEP (71), UNIDO (89), and the World Bank (66);

(b) Request:

- (i) The World Bank to have an open and constructive discussion with the National Ozone Unit (NOU) in India about the areas where the Bank's services were perceived to be "less than satisfactory" and "unsatisfactory", and to report to the 68th meeting on the results of its consultations with the country on the implementation matters raised in the qualitative performance assessments;
- (ii) Germany to provide explanations about "less than satisfactory" ratings from Iran (Islamic Republic of) and Namibia; and
- (iii) UNEP to provide explanations for the "less than satisfactory" ratings from Afghanistan, Gambia (the), Haiti, Namibia, Tuvalu, Togo, and the United Republic of Tanzania, as well as for the "unsatisfactory" rating from Haiti.

7. Options for an administrative cost regime for the 2012-2014 triennium (decisions 65/18 and 66/17)

Document UNEP/OzL.Pro/ExCom/67/17 provides the Secretariat's analysis and observations on the options for an administrative cost regime for the 2012-2014 triennium, taking into account the input provided by the implementing agencies, and including options that were discussed during the 65th and 66th meetings.

Issues to be addressed:

- To what extent does the Committee wish to achieve the historical average of 11.24 per cent of project approvals; and
- Two additional options for administrative cost regime for 2012-2014 were added based on input from the 66th meeting.

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

- (a) Note the information on the assessment of options for an administrative cost regime for the 2012-2014 triennium as contained in document UNEP/OzL.Pro/ExCom/67/17; and
- (b) Consider which of the administrative cost options listed in Table 1 of document UNEP/OzL.Pro/ExCom/67/17 be adopted for the 2012-2014 triennium excluding the 66th meeting approvals for UNDP, UNIDO and the World Bank.

8. Project proposals

(a) Overview of issues identified during project review

Document UNEP/OzL.Pro/ExCom/67/18 contains four sections: an analysis of the number of projects and activities submitted by bilateral and implementing agencies to the 67th meeting; issues identified during the project review process; projects and activities submitted for blanket approval; and investment projects for individual consideration.

Issues to be addressed: None.

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

- (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) To decide 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.

(b) Bilateral cooperation

Document UNEP/OzL.Pro/ExCom/67/19 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 2012. The two project requests are addressed under the respective country project proposal 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 67th meeting as follows:

- (a) [US \$XXX] (including agency fees) against the balance of the Italy's bilateral contribution for 2012; and

(b) [US \$XXX] (including agency fees) against the balance of Japan's bilateral contribution for 2012.

(c) Amendments to work programmes for 2012

(i) UNDP

Document [UNEP/OzL.Pro/ExCom/67/20](#) contains three institutional strengthening (IS) renewal requests submitted by UNDP. These IS renewal requests were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: None.

Action expected from the Executive Committee: None.

(ii) UNEP

Document [UNEP/OzL.Pro/ExCom/67/21](#) contains 18 IS renewal requests submitted by UNEP. These requests were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: None

Action expected from the Executive Committee: None

(iii) UNIDO

Document [UNEP/OzL.Pro/ExCom/67/22](#) contains one IS renewal request submitted by UNIDO. This request was recommended for blanket approval and was considered under agenda item 8(a).

Issues to be addressed:

Action expected from the Executive Committee: None

(d) Investment projects

Document [UNEP/OzL.Pro/ExCom/67/18](#) contains a list of projects for individual consideration (see Table 1). One tranche of a national phase-out plan for methyl bromide and two tranches of an HPMP were recommended for blanket approval and were considered under agenda item 8(a).

Issues to be addressed: In the table 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 1. List of projects for individual consideration

Country	Project	Agency	ExCom	Issue
Non-funding requested				
China	HCFC phase-out management plan (stage I) (revised agreement)	UNDP (Lead implementing agency)	67/23	Revised agreement for stage I of the HPMP
India	CTC phase-out plan for the consumption and production sectors (work plan covering the funds remaining)	World Bank	67/26	Progress report and plan of action I (decision 66/15(j)(iv))

Country	Project	Agency	ExCom	Issue
CFC production				
India	Accelerated CFC production phase-out (second tranche)	World Bank	67/26	Production closure and dismantling; and confirmation of destruction of non-pharma-grade CFC
ODS disposal				
China	Pilot demonstration project on ODS waste management and disposal	UNIDO/Japan	67/23	All issues have been satisfactorily addressed
Nigeria	Demonstration project for disposal of unwanted ODS	UNIDO	67/27	All issues have been satisfactorily addressed
Tranches of HPMPs				
The Former Yugoslav Republic of Macedonia	HCFC phase-out management plan (phase I, third tranche)	UNIDO	67/31	Amending foam activities as per decision 60/38 (g)(i)
HPMPs for LVC countries				
Eritrea	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	67/24	All issues have been satisfactorily addressed
Somalia	HCFC phase-out management plan (stage I, first tranche)	UNIDO	67/28	Additional funding for security
United Republic of Tanzania (the)	HCFC phase-out management plan (stage I, first tranche)	UNEP/UNIDO	67/32	All issues have been satisfactorily addressed
HPMPs/sector plan for non-LVC countries				
South Africa	HCFC phase-out management plan (stage I, first tranche)	UNIDO	67/29	Reduction above 10 per cent of baseline; business plan allocation
Thailand	HCFC phase-out management plan (stage I, first tranche)	World Bank	67/30	Reduction above 10 per cent of baseline; technology selection

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 8(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.

9. Report on the Multilateral Fund Climate Impact Indicator (decisions 59/45, 62/62, 63/62, 64/51, 65/48 and 66/53)

Document UNEP/OzL.Pro/ExCom/67/34 is submitted by the Secretariat pursuant to decision 66/53 whereby the Committee, after discussing the report on the issue submitted to the 66th meeting, decided to defer consideration of the report on the Multilateral Fund Climate Impact Indicator (MCII) to the 67th meeting. In light of the decisions taken at the 63rd, 64th, 65th and 66th meetings, and to enable the Committee to give greater consideration to the issue, the Secretariat has not developed document UNEP/OzL.Pro/ExCom/63/58 any further, but has in response to a request at the last meeting prepared a presentation to be provided during the meeting. At the time of issuing the current document, no further comments were posted on the Forum set up for intersessional discussion on the MCII.

Issues to be addressed: None.

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

- (a) To take note of the report on the experience gained in implementing the Multilateral Fund Climate Impact Indicator (MCII);

- (b) To request the Secretariat to finalize the development of the MCII for the different sectors as outlined in document UNEP/OzL.Pro/ExCom/67/34 and in the light of comments received prior to and during the 67th meeting of the Executive Committee;
- (c) To request the Secretariat to inform the Executive Committee about progress made and experience gained in applying the MCII to project submissions not later than the 70th meeting;
- (d) To request the Secretariat to apply the climate indicator to the relevant projects and sub-projects submitted to allow the climate impact of the technological options presented in the submissions to be measured; and
- (e) To request the Secretariat to present a fully developed version of the MCII to the Executive Committee available not later than the 69th meeting, in order to enable an assessment of whether this can be applied as a fully integrated tool for the preparation and assessment of project submissions in order to calculate the climate impact of the HCFC consumption projects of the Multilateral Fund.

10. Provisional 2011 accounts

Document UNEP/OzL.Pro/ExCom/67/35 presents the provisional 2011 accounts of the Multilateral Fund, the four implementing agencies and the Secretariat as contained in Schedules 1.1 through 1.7 of the document and includes the adjustments made to the implementing agencies' 2010 provisional statements as requested by decision 65/50(b).

Issues to be addressed: None.

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

- (a) To take note of the Fund's 2011 provisional accounts;
- (b) To note that the 2011 final accounts of the Fund will be submitted to the Committee at the 68th meeting; and that further adjustments will be introduced as required;
- (c) To note the actions taken by the Treasurer in 2011 to reflect the adjustments resulting from the reconciliation of the 2010 accounts exercise; and
- (d) To note the Fund's new policy of recording long outstanding contributions of four years and more, as well as other receivables considered uncollectible in the Fund's accounts, under the "doubtful accounts receivable" line item.

11. Distribution of confidential documents (decision 66/55)

Document UNEP/OzL.Pro/ExCom/67/36 has been prepared by the Secretariat in compliance with decision 66/55 whereby, *inter alia*, the Committee deferred consideration of the distribution of confidential documents to the 67th meeting. The document addresses two main issues: one related to the distribution of documents and the other related to confidential material. The document also includes several examples on the distribution and management of confidential materials by the Executive Committee.

Issues to be addressed: None.

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

- (a) Take note of document UNEP/OzL.Pro/ExCom/67/36; and
- (b) Consider whether any further decision is required to protect documents regarded by either governments of countries, the Executive Committee and/or bilateral and implementing agencies to be confidential and the appropriate action the Secretariat should take to maintain the confidentiality of these documents, while ensuring that Executive Committee members and co-opted countries in their respective delegations can obtain timely access to pre-session meeting documents.

12. Draft Report of the Executive Committee to the Twenty-fourth Meeting of the Parties to the Montreal Protocol

Document UNEP/OzL.Pro/ExCom/67/37 contains the draft report of the Executive Committee to the Twenty-fourth Meeting of the Parties, summarizing the most important decisions taken by the Committee at its 66th meeting.

Issues to be addressed: Since the reporting period also includes the 67th meeting, the report will need to be updated immediately after the Report of the 67th meeting of the Executive Committee is finalized.

Action expected from the Executive Committee: After considering the draft report, the Executive Committee may wish to authorize the Secretariat to finalize the report in the light of the discussions held and decisions taken at the 67th meeting of the Executive Committee, as well as any comments made on this item by Executive Committee members.

13. Report of the Sub-group on the Production Sector

Document UNEP/OzL.Pro/ExCom/67/38 will be issued during the 67th 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, the final report on the technical audit of the HCFC production sector in China, a paper on stage I of the China HCFC production phase-out management plan, and a draft decision for the HCFC Production Sector guidelines as modified by the Sub-group at its meeting in the margins of the 65th meeting of the Executive Committee (documents UNEP/OzL.Pro/ExCom/67/SGP/1-4).

14. Other matters

If substantive issues are agreed for inclusion on agenda item 2(a), these 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 67th meeting for its consideration and adoption.

16. Closure of the meeting

The meeting is expected to be closed on Friday 20 July 2012.
