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ORIGINAL: ENGLISH

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

**Corrigendum**

**REPORT OF THE SIXTY-SEVENTH MEETING OF THE EXECUTIVE COMMITTEE**

This document is issued to:

- In paragraph 94(a)(ii), **replace 4.0 with 2.3**, and **0.65 with 1.55**.
- In Annex XII, **replace** row 1.1 of Appendix 2-A as follows:

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	1.80	1.80	1.62	1.62	1.62	1.62	1.62	1.17	n/a



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**REPORT OF THE SIXTY-SEVENTH MEETING OF THE EXECUTIVE COMMITTEE**

Introduction

1. The 67<sup>th</sup> meeting of the Executive Committee of the Multilateral Fund for the Implementation of the Montreal Protocol was held at the United Nations Conference Centre, Bangkok, Thailand, from 16 to 20 July 2012.
2. The meeting was attended by representatives of the following countries, members of the Executive Committee in accordance with decision XXIII/19 of the Twenty-Third Meeting of the Parties to the Montreal Protocol:
  - (a) Parties not operating under paragraph 1 of Article 5 of the Protocol: Belgium, Canada, Finland, Japan, the United Kingdom of Great Britain and Northern Ireland (Vice-Chair) and the United States of America; and
  - (b) Parties operating under paragraph 1 of Article 5 of the Protocol: Argentina, China (Chair), Cuba, India, Jordan, Kenya, and Mali.
3. In accordance with the decisions taken by the Executive Committee at its Second and Eighth Meetings, representatives of the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), both as implementing agency and as Treasurer of the Fund, the United Nations Industrial Development Organization (UNIDO) and the World Bank attended the meeting as observers.
4. The President and Vice-President of the Implementation Committee were present and the Executive Secretary and the Deputy Executive Secretary of the Ozone Secretariat were also present.
5. The Co-Chair of the Technology and Economic Assessment Panel (TEAP) and representatives of the Alliance for Responsible Atmospheric Policy and the Environmental Investigation Agency attended as observers.

## **AGENDA ITEM 1: OPENING OF THE MEETING**

6. The meeting was opened by the Chair, Mr. Xiao Xuezhi (China), who highlighted the key areas of work to be addressed at the 67<sup>th</sup> meeting. The Committee would be reviewing the progress made by agencies in project implementation, including the consolidated progress report. In addition, the Committee's guidance was being sought on how to proceed with the proposed updated model rolling three-year phase-out plan for the 2013-2015 triennium, and on the continuing work on monitoring and evaluation, including the finalization of the terms of reference for the second phase of the evaluation of multi-year agreement (MYA) projects.

7. He reminded the Committee that, after considering the options for an administrative cost regime for the 2012-2014 triennium at its 65<sup>th</sup> and 66<sup>th</sup> meetings, the decision on the issue had been deferred. He hoped that the updated document submitted by the Secretariat, which included additional input from the implementing agencies, would provide a basis for reaching a decision on administrative costs. Another issue that had been carried forward from the previous meeting related to activities for the refrigeration servicing sector in HCFC phase-out management plans (HPMPs). It was a matter of concern that some countries had still not submitted HPMPs, even though very little time remained until 2013 when the freeze on HCFC consumption would come into force. He urged the implementing agencies responsible to strongly encourage the relevant countries to finalize their HPMPs for submission to the 68<sup>th</sup> meeting of the Committee. The meeting would also be considering five new HPMPs, three for low-volume-consuming (LVC) countries, on which agreement had been reached, and two for non-LVC countries, for which some issues remained. In addition, two HPMP tranche requests were being presented for blanket approval and one for individual consideration. Two requests for funding pilot ODS disposal demonstration projects for China and Nigeria would also be considered.

8. He recalled that the issue of the Multilateral Fund Climate Impact Indicator (MCII) had been before the Committee on several occasions and it was therefore imperative to come to a conclusion on the way forward on use of the indicator. If there were no consensus at the present meeting, he urged the Committee to agree to remove the item from the agenda and not to review it at future meetings.

9. Finally, the Production Sector Sub-Group, which had the important responsibility of overseeing phase-out in the HCFC production sector, would be reconvened during the present meeting to review the technical audit report of the HCFC production sector in China and China's HCFC production phase-out management plan (HPPMP).

## **AGENDA ITEM 2: ORGANIZATIONAL MATTERS**

### **(a) Adoption of the agenda**

10. The Committee agreed to consider under agenda item 14 (Other matters): the role of the Executive Committee in the administrative process relating to the selection of the Chief Officer; presentation of a concept paper on ODS disposal for African countries; and the paper submitted to the Global Environment Facility (GEF) Council "*Concept paper: GEF-5 Ozone, Climate, and Chemicals Program*" (GEF/C.42/09).

11. The Executive Committee adopted the following agenda for the meeting on the basis of the provisional agenda contained in document UNEP/OzL.Pro/ExCom/67/1, and as amended orally at the meeting:

1. Opening of the meeting.
2. Organizational matters:
  - (a) Adoption of the agenda;
  - (b) Organization of work.
3. Secretariat activities.
4. Status of contributions and disbursements.
5. Status of resources and planning:
  - (a) Report on balances and availability of resources;
  - (b) 2012-2014 business plans and tranche submission delays;
  - (c) Status reports and compliance;
  - (d) Updated model rolling three-year phase-out plan: 2013-2015 (decision 62/5).
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);
    - (ii) Desk study for evaluation of metered-dose inhaler (MDI) projects;
  - (b) Progress reports as at 31 December 2011:
    - (i) Consolidated progress report;
    - (ii) Bilateral agencies;
    - (iii) UNDP;
    - (iv) UNEP;
    - (v) UNIDO;
    - (vi) World Bank;
  - (c) Evaluation of the implementation of the 2011 business plans.
7. Options for an administrative cost regime for the 2012-2014 triennium (decisions 65/18 and 66/17).
8. Project proposals:
  - (a) Overview of issues identified during project review;

- (b) Bilateral cooperation;
  - (c) Amendments to work programmes for 2012:
    - (i) UNDP;
    - (ii) UNEP;
    - (iii) UNIDO;
  - (d) Investment projects.
9. Report on the Multilateral Fund Climate Impact Indicator (MCII) (decisions 59/45, 62/62, 63/62, 64/51, 65/48 and 66/53).
  10. Provisional 2011 accounts.
  11. Distribution of confidential documents (decision 66/55).
  12. Draft report of the Executive Committee to the Twenty-fourth Meeting of the Parties to the Montreal Protocol.
  13. Report of the Production Sector Sub-group.
  14. Other matters.
  15. Adoption of the report.
  16. Closure of the meeting.

**(b) Organization of work**

12. The Committee agreed to have the presentation on agenda item 9 on the second day of the meeting so that there would be more time to come to conclusions on the matter.

**AGENDA ITEM 3: SECRETARIAT ACTIVITIES**

13. The Chief Officer introduced document UNEP/OzL.Pro/ExCom/67/2, which provided an overview of the work done by the Secretariat since the 66<sup>th</sup> meeting. Together with the Senior Administrative and Fund Management Officer and the Treasurer, she had undertaken a preliminary mission to Moscow to meet senior representatives of the Russian Federation on the issue of its contributions to the Fund, leading to the signing of the outcome of the meeting, in which the Russian Federation undertook to start paying its pledges to the Fund from 2013. Substantial progress had also been made in discussions on cooperation with the GEF to mobilize future resources to maximize the climate benefits of HCFC phase-out. One member welcomed the initiative of the Secretariat to engage in discussions on possible synergies between the work of the GEF and the Multilateral Fund in the fields of HCFC phase-out and ODS destruction.

14. The Secretariat had prepared several key documents for the meeting and had reviewed funding requests totalling over US \$343.5 million, including US \$3.5 million which were recommended for blanket approval and US \$340 million for individual consideration, of which US \$301 million related to the production sector.

15. In the ensuing discussion, while welcoming the progress made in the discussions with the Russian Federation concerning the payment of its contributions to the Fund, several members requested clarification concerning the status of the document signed by Multilateral Fund Secretariat and Russian Federation representatives and on the situation regarding Russia's outstanding pledges for the years prior to 2013. In reply, the Chief Officer indicated that it was normal practice that, when a Party had outstanding pledges for previous years, any payments received would be accounted as covering those outstanding pledges. However, the document signed with the Russian Federation indicated that payments by the Russian Federation would commence in 2013 "on the condition that all future contributions of the Russian Federation are not associated with the outstanding pledges for prior years", which would therefore involve a change in accounting practices. With regard to the status of the paper annexed to document UNEP/OzL.Pro/ExCom/67/2, she added that it was not a legal agreement but a signed record of the outcomes reached during the discussions containing a commitment by the Russian Federation to pay its contributions starting from 2013.

16. In the discussion that followed those clarifications, it was proposed that a letter should be sent to the Russian Federation, signed by the Chair and Vice-Chair of the Executive Committee, outlining the position with regard to the outstanding contributions of the Russian Federation. An open-ended contact group was set up to discuss appropriate wording for the letter.

17. The Executive Committee, after taking note with appreciation of the report on the Secretariat's activities, decided:

- (a) To note with appreciation the Government of the Russian Federation's intent to start payments to the Multilateral Fund from 2013 with the understanding that future contributions of the Russian Federation would not be associated with the outstanding pledges for prior years, and that the administrative process within the Government of the Russian Federation would be completed in due time to ensure that the payment of the 2013 contribution could be made;
- (b) To request the Chair of the Executive Committee to write to the Government of the Russian Federation welcoming its future contributions and future engagement in the Multilateral Fund; and
- (c) To request the Treasurer to maintain the outstanding contributions of the Russian Federation in the outstanding contributions category of the accounts of the Fund.

**(Decision 67/1)**

#### **AGENDA ITEM 4: STATUS OF CONTRIBUTIONS AND DISBURSEMENTS**

18. The Treasurer introduced document UNEP/OzL.Pro/ExCom/67/3 and provided updated information on countries' contributions to the Fund as at 13 July 2012. He indicated that additional contributions amounting to approximately US \$4,488,698 had been received since the document had been issued and that the Fund's balance stood at US \$42,760,031. He also informed members that 27 Parties had paid all or part of their 2012 pledges, representing 37.9 per cent of the total, and that the balance on the gain from the fixed-exchange rate mechanism (FERM) stood at US \$25,557,302.

19. The Chair reminded the meeting that, pursuant to sub-paragraph (b)(iii) of decision 66/3, the Government of Germany had provided an update on its efforts with regard to the encashment of its promissory notes and that the Government had indicated that it would not be possible to accelerate the encashment schedule during the present triennium.

20. In the discussion that followed, the Executive Committee was informed that, as the German Parliament had approved its contributions as part of its mid-term fiscal planning, it would be difficult to change the encashment schedule, and that informal discussions might be needed to better understand the processes that Germany was undertaking in that regard.

21. A member pointed out that by decision 64/1, as well as prior decisions, all Parties had been urged to pay their contributions to the Multilateral Fund in full and as early as possible, whereas by decisions 65/1 and 66/1 only Parties with outstanding pledges had been urged to do so. He asked why that change had occurred and suggested that the previous phrasing was preferable. The Treasurer agreed to revert to the previous format for that recommendation.

22. The meeting was also informed that the Government of France had opted to use the FERM.

23. After hearing the report on the informal discussions on the issue of Germany's promissory notes, the Executive Committee decided:

- (a) To note:
  - (i) The report of the Treasurer on the status of contributions and disbursements and the information on promissory notes contained in Annex I to the present report;
  - (ii) That France should be added to the list of Parties that had opted to use the fixed-exchange rate mechanism in making their contributions to the Fund during the replenishment period 2012-2014, as contained in Annex I to the present report;
  - (iii) The feedback received from the Government of Germany on the proposed accelerated encashment schedule to the effect that it would not be possible to accelerate encashment of such notes during the current replenishment period and that the German Parliament's approval would be required to accelerate the encashment of promissory notes during the next replenishment period;
  - (iv) That the encashment schedule for Germany's promissory notes for the 2012-2014 triennium went beyond the replenishment period and that some of the notes would be due for encashment between 2015 and 2017;
- (b) To request the Government of Germany to pursue with the relevant authorities the issue of encashment of Germany's promissory notes within the next replenishment period, and to inform the Executive Committee accordingly at its first meeting in 2014; and
- (c) To urge all Parties to pay their contributions to the Multilateral Fund in full and as early as possible.

**(Decision 67/2)**

## **AGENDA ITEM 5: STATUS OF RESOURCES AND PLANNING**

### **(a) Report on balances and availability of resources**

24. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/4 and indicated that, as the total resources available amounted to US \$44.85 million and the total amount of funding requested at the meeting, including the production sector, was US \$91.6 million, the total resources available would be insufficient to cover the project approvals and other costs being considered at the present meeting. She also said that the Government of Canada had advised the Treasurer that the

Government of Jamaica would transfer, directly to the Fund, an unspent amount of US \$733 from its bilateral technical assistance project to phase out the use of methyl bromide (MB) in Jamaica (JAM/FUM/47/TAS/22) and that the Treasurer had received that amount, as already reflected in the Fund's balance, while Canada had returned US \$2,000 for the same project.

25. The Executive Committee decided:

- (a) To note:
  - (i) The report on balances and availability of resources contained in document UNEP/OzL.Pro/ExCom/67/4;
  - (ii) The return of US \$2,733 from Canada's bilateral technical assistance project to phase out the use of methyl bromide in Jamaica (JAM/FUM/47/TAS/22);
  - (iii) That the net level of funds being returned by the implementing agencies to the 67<sup>th</sup> 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;
  - (iv) That the net level of support costs being returned by the implementing agencies to the 67<sup>th</sup> 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;
  - (v) 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 from UNDP, US \$199,653 from UNEP, and US \$591,153 from UNIDO;
  - (vi) The feedback received from UNDP, UNEP and UNIDO on the projects with long outstanding obligated balances completed in 2005, 2006 and 2007;
  - (vii) That the Government of France still had unobligated balances totalling US \$78,440, excluding support costs, attributed to a project completed over two years previously;
- (b) To request the Treasurer to follow up with the Government of Sweden its return of a total of US \$114,046 in cash to the Fund; and
- (c) To request implementing agencies with projects completed in 2005, 2006 and 2007 to return the balances as soon as possible.

**(Decision 67/3)**

**(b) 2012-2014 business plans and tranche submission delays**

26. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/67/5 and Add.1. He indicated that approvals at the 66<sup>th</sup> meeting of the Executive Committee had exceeded the 2012–2014 allocation for them in the business plans by a total of US \$14.6 million. Submissions to the 67<sup>th</sup> meeting also exceeded their allocations in the business plans, mainly owing to the funding request for the HCFC production sector in China. Seven of the 18 tranches of the multi-year agreements (MYAs) due for consideration at the 67<sup>th</sup> meeting had been submitted. Some members suggested that the Secretariat's recommendation on project submission and business plan allocation be redrafted.



27. The Executive Committee decided:

- (a) To note:
  - (i) The report on the status of the 2012-2014 business plans and tranche submission delays contained in documents UNEP/OzL.Pro/ExCom/67/5 and Add.1;
  - (ii) The information on tranche submission delays under multi-year agreements (MYAs) submitted to the Secretariat by UNDP, UNEP, UNIDO and Germany, as shown in Table 7 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 67<sup>th</sup> meeting;
  - (iv) That the total value of Germany's business plan for the 2012-2014 triennium was within Germany's allocation for bilateral activities;
- (b) To encourage implementing agencies to submit requests to enable funding for all remaining eligible countries that had not yet received funding for stage I HCFC phase-out activities during the current triennium and to take into account business plan allocation; and
- (c) To request the Secretariat to send letters to the Governments of Brazil, Chile, the Islamic Republic of Iran, Mexico and Saint Lucia urging the submission of the second tranches of their HCFC phase-out management plans to the 68<sup>th</sup> meeting.

**(Decision 67/4)**

(c) **Status reports and compliance**

28. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/6. He said that the review of 2011 Article 7 and country programme (CP) data submitted by countries as at 12 June 2012 indicated that they were all in compliance. Since the document had been published, 96 tranche implementation plan reports for HPMPs had been eliminated rather than 109, covering 62 instead of 69 countries. He also reported on progress on implementation of decision 66/16 on streamlining of progress reporting; the assessment of HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam boardstock; and the interim reports submitted by UNDP and UNIDO on resource mobilization for climate co-benefits.

29. With regard to the question of whether requests for changes to work programmes should be addressed under the present agenda item or under the item on investment projects, it was confirmed that, based on decision 66/16, changes to work programmes without funding implications were to be addressed under the present item on status reports, while changes with funding implications were to be considered under the item on investment projects. In addition, technical changes to the specifications agreed in the HPMPs should be addressed under the agenda item on investment projects.

30. The Executive Committee decided:

- (a) To note:
  - (i) With appreciation, the status reports and reports on projects with implementation delays submitted to the Secretariat by the implementing agencies and the Governments of France, Japan and Spain addressed in document UNEP/OzL.Pro/ExCom/67/6;

- (ii) That 47 country programme (CP) implementation reports for the year 2011 had been submitted through the web-based system, which had been initiated on 25 April 2007;
  - (iii) That the Secretariat and the implementing agencies would take established actions according to the Secretariat's assessments (some progress as per Annex II to the present report) and report to and notify governments and bilateral and implementing agencies as required;
  - (iv) The significant reduction in reporting resulting from the streamlining decision to date, which has led to the elimination of 81 tranche implementation plan reports for 81 non-HCFC multi-year agreements (MYAs), and 96 tranche implementation plan reports for HCFC phase-out management plans (HPMPs) in 62 countries at the 67<sup>th</sup> meeting, with some involving tranches from multiple agencies;
- (b) To address requests for technology changes under the agenda item on investment projects;
- (c) To urge the following countries that had not yet submitted 2011 CP data to do so before the 68<sup>th</sup> meeting: China, the Cook Islands, Eritrea, Guinea-Bissau, India, Madagascar, Nepal, Nigeria, Saudi Arabia and the Syrian Arab Republic;
- (d) To request:
- (i) Implementing agencies to ensure that the requirements of decision 66/16(b)(ii) were fulfilled in the future as a condition for submission of tranche implementation plans to meetings following the 67<sup>th</sup> meeting;
  - (ii) The Government of South Africa to provide CP data relating to HCFCs following approval of its HPMP;
  - (iii) Additional status reports on the projects listed in Annexes III and IV to the present report;
  - (iv) The Government of Israel to provide its implementation delay reports to the 68<sup>th</sup> meeting of the Executive Committee;
  - (v) The submission to the 69<sup>th</sup> meeting of additional specific status reports on the remaining 34 projects listed in Annex V to the present report;
- (e) With respect to the HCFC demonstration project:
- (i) To note with appreciation the report entitled "HFO-1234ze as a blowing agent in the manufacture of extruded polystyrene foam boardstock: An assessment for the application in MLF projects", submitted by UNDP;
  - (ii) To request bilateral and implementing agencies to share the UNDP assessment report on HFO-1234ze, together with information on other alternatives, when assisting Article 5 countries in preparing projects for the phase-out of HCFC-142b/HCFC-22 in extruded polystyrene foam applications; and

- (f) With respect to resource mobilization for climate co-benefits, to note the interim reports on resource mobilization for climate co-benefits submitted by UNDP and UNIDO and to urge them to submit final reports on those projects by the 69<sup>th</sup> meeting.

**(Decision 67/5)**

**(d) Updated model rolling three-year phase-out plan: 2013-2015 (decision 62/5)**

31. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/7, containing the updated model rolling three-year phase-out plan for 2013–2015. By decision 62/5, the Committee had decided that the model should be updated once the HCFC baseline had been established rather than after each meeting of the Committee, and the Secretariat had updated the model accordingly. He indicated that the data used to update the model had also been used in preparing other documents considered by the Committee, including that on status reports and compliance, though the different ways in which the data were analysed resulted in some duplication and potential contradictions. On that basis, assessment of HCFC compliance requirements for Article 5 countries should be made in the document on status reports and compliance.

32. Following clarification of the future status of the model rolling three-year phase-out plan, and its relationship to the planning process of the Multilateral Fund and to other documents, including that on status reports and compliance, the Executive Committee decided:

- (a) To note the 2013-2015 model rolling three-year phase-out plan contained in document UNEP/OzL.Pro/ExCom/67/7;
- (b) To urge bilateral and implementing agencies to work with those Article 5 countries that did not yet have an approved HCFC phase-out management plan (HPMP) to complete the preparation of their HPMPs and to submit them for the Executive Committee's consideration; and
- (c) To request the Secretariat to assess the HCFC compliance requirements for all Article 5 countries in the document on status reports and compliance to serve as a guide for preparation of the Multilateral Fund's business plan.

**(Decision 67/6)**

**AGENDA ITEM 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)**

33. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/67/8.

34. Members thanked the Senior Monitoring and Evaluation Officer for her work, noting that a number of the comments made at the previous meeting had been addressed. However, they indicated that the scope of the terms of reference for the evaluation of MYA projects was too broad, and stressed that the primary purpose of evaluation was to assess the extent to which the activities funded had met the objectives. They asked that the terms of reference be narrower in focus, and include lessons learned that could be of use to future MYA projects and some description of timing. It was agreed to set up a contact group to finalize the terms of reference.

35. Following the meeting of the contact group, the Senior Monitoring and Evaluation Officer informed members that an addendum to document UNEP/OzL.Pro/ExCom/67/8 had been issued, taking into account the comments made.

36. The Executive Committee decided to note the terms of reference for the evaluation of the multi-year agreement projects (second phase) presented in documents UNEP/OzL.Pro/ExCom/67/8 and Add.1.

**(Decision 67/7)**

**(ii) Desk study for evaluation of metered-dose inhaler (MDI) projects**

37. The Senior Monitoring and Evaluation Officer introduced document UNEP/OzL.Pro/ExCom/67/9 and provided additional clarification on two issues. The first related to the use of the guidelines as a basis for analysis. She explained that, because the Executive Committee had noted rather than approved the guidelines, projects had been approved on a case-by-case basis. The guidelines had nevertheless been closely followed when preparing proposals so they contained many common elements. The second issue related to the CFC tonnages associated with MDI projects, which had only been specified for Argentina, China, Egypt and the Islamic Republic of Iran. For other countries, tonnages had to be deducted from their national phase-out plans. Finally, the Senior Monitoring and Evaluation Officer listed a number of additional elements to be assessed in the second stage of the evaluation but not mentioned in the document.

38. Members thanked the Senior Monitoring and Evaluation Officer for an informative and useful study, and flagged the use of nitrogen and argon as replacement purge gases for HFC-134a as a particularly useful lesson learned. There was some question as to whether by noting the information in the study in its decision the Executive Committee would be setting in motion the second stage of the evaluation. It was suggested that the additional information provided verbally by the Senior Monitoring and Evaluation Officer should be formally incorporated into the desk study report before proceeding with the second stage of the evaluation as the report would be a useful reference document. The Executive Committee decided to refer the matter to the contact group already set up to consider agenda item 6(a)(i).

39. Following the meeting of the contact group, the Senior Monitoring and Evaluation Officer informed members that an addendum to document UNEP/OzL.Pro/ExCom/67/9 had been issued, taking into account the comments made.

40. The Executive Committee took note of the information provided in the desk study for evaluation of metered-dose inhaler projects as presented in documents UNEP/OzL.Pro/ExCom/67/9 and Add.1, including the proposed evaluation issues for the second phase of the evaluation.

**(b) Progress reports as at 31 December 2011**

**(i) Consolidated progress report**

41. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/10.

42. Following discussion regarding the deadline for submission of project completion reports for stage I HPMPs, the associated burden placed on the implementing agencies and the implications for implementation of stage II HPMPs, the Executive Committee decided:

- (a) To note:
  - (i) The consolidated progress report of the Multilateral Fund contained in document UNEP/OzL.Pro/ExCom/67/10;
  - (ii) With appreciation, the implementing agencies' efforts to address decision 66/16(d) in the limited time available to them;
- (b) To encourage bilateral and implementing agencies to fully implement all of the elements required for the Remarks column, as specified in the Operational Guidelines for progress reporting;
- (c) To recommend that countries expedite the completion of the following individual CFC phase-out projects that had planned post-2012 completion dates: metered-dose inhaler projects in Argentina, China, India and Pakistan; one chiller project in Côte d'Ivoire; one solvent project in Argentina; and one pharmaceutical aerosol sector project in China;
- (d) To request bilateral and implementing agencies to submit outstanding project completion reports (PCRs) for multi-year agreements completed more than six months previously as soon as possible and to encourage the implementing agencies to submit PCRs for stage I of HCFC phase-out management plan (HPMPs) before submission of the second tranche of stage II of HPMPs; and
- (e) To request bilateral and implementing agencies to identify in PCRs the amount of funds from the balances for CFC activities used for HCFC activities.

**(Decision 67/8)**

**(ii) Bilateral agencies**

43. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/11 and explained that additional status reports were required to monitor fund disbursement, progress in African customs enforcement networks, the establishment of a licensing system in one country, the preparation of a demonstration project on ODS disposal and the completion of an HCFC demonstration project. It was noted that the financing agreement for the ODS disposal demonstration project in Mexico (MEX/DES/63/DEM/155) had been signed by the Director-General of UNIDO and the Director-General of Agence Française de Développement (AFD) on 18 June 2012 during the United Nations Conference on Sustainable Development (Rio+20), thereby ensuring high-level attention for activities to protect the ozone layer.

44. The Executive Committee decided:

- (a) To 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) To 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 to the 68<sup>th</sup> meeting 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 68<sup>th</sup> meeting to monitor:
- a. The resolution of the financial mechanism and co-financing issues for Nigeria, Senegal and the Sudan by the 68<sup>th</sup> meeting as a milestone for achievement in order to avoid consideration of possible cancellation in those countries of the “strategic demonstration projects for accelerated conversion of CFC chillers in African countries” (AFR/REF/48/DEM/35, implemented by Japan, and AFR/REF/48/DEM/36, implemented by France);
  - b. The initiation of the action plan 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 rates in Afghanistan (AFG/PHA/63/INV/13), the Islamic Republic of Iran (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 as part of the HPMP project preparation project (BOT/PHA/60/PRP/14), implemented by Germany;
  - e. Project implementation progress for the CFC phase-out project with a low disbursement rate 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 had not been completed by the 68<sup>th</sup> meeting; and
  - g. The preparation of 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 was not submitted to the 68<sup>th</sup> meeting.

**(Decision 67/9)**

**(iii) UNDP**

45. The representative of UNDP introduced document UNEP/OzL.Pro/ExCom/67/12, describing the improvement in the achievement of UNDP’s performance targets in 2011, when 89 per cent of the targets had been achieved, compared with 75 per cent in the previous year. Since the release of the report, project documents had been signed for three additional projects and were in the process of being signed for another two projects. The low or no disbursement issues had been met for ten of the projects indicated by the Secretariat in document UNEP/OzL.Pro/ExCom/67/12. Following the interim reports already made, a final report would be submitted to the 69<sup>th</sup> meeting of the Executive Committee on resource mobilization to maximize the climate co-benefits of HCFC phase-out. In response to requests for clarification concerning the MDI conversion project in Pakistan (PAK/ARS/56/INV/71), another representative of UNDP added that the agreement with the Zafa enterprise had been signed. Although progress was being made, Zafa still had to source the technology for the formulations for non-CFC MDIs and UNDP was assisting the company to do so.

46. The Executive Committee decided:

(a) To note:

- (i) UNDP's progress report contained in document UNEP/OzL.Pro/ExCom/67/12;
- (ii) That significant balances remained 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 as of the end of 2011 was 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);
- (iv) That UNDP would report to the 68<sup>th</sup> meeting on four projects with implementation delays, including three projects that had been classified as such in 2010;

(b) To request:

- (i) The submission of additional status reports to the 68<sup>th</sup> 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. The 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. Delays in the implementation of the TPMP in Bahrain (BAH/PHA/59/INV/22) due to the political situation in the country;
    - iii. Progress in implementing the 11 HCFC phase-out management plans (HPMPs) for the following countries, which had been approved over one year previously and for which no disbursement had been recorded: Belize, Bhutan, Cambodia, Chile, Georgia, Guyana, the Islamic Republic of Iran, Maldives, Paraguay, Sri Lanka, and Timor-Leste;
    - iv. Delays in signing project documents/letters of agreement for the HPMPs in Bhutan, Chile, Georgia and Guyana;
  - c. Projects due to slow implementation of activities:
    - i. The institutional strengthening projects in Georgia (GEO/SEV/63/INS/31) and Trinidad and Tobago

- (TRI/SEV/59/INS/24);
- ii. ODS disposal project preparation activities in Brazil (BRA/DES/57/PRP/288);
  - iii. ODS disposal preparation activities in India (IND/DES/61/PRP/437), if not submitted to the 68<sup>th</sup> meeting;
  - iv. ODS bank management and destruction demonstration preparation project in Georgia (GEO/DES/64/PRP/32): signing of the project document by the 68<sup>th</sup> meeting as a milestone for achievement in order to avoid consideration of possible cancellation;
- d. Projects due to low rates of disbursement of approved funds:
- i. The RMP in Barbados (BAR/REF/43/TAS/12);
  - ii. The RMP component of technical assistance for the refrigeration servicing and mobile air-conditioning 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 assistance 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 conversion project in Pakistan (PAK/ARS/56/INV/71).

**(Decision 67/10)**

**(iv) UNEP**

47. The representative of UNEP, introducing document UNEP/OzL.Pro/ExCom/67/13, emphasized that every effort had been made to comply with Executive Committee decision 66/16 on streamlining progress reporting and to make the report a more effective tool for providing information on implementation, while endeavouring to ensure that the heavy compilation process did not hinder the provision of services by UNEP to clients. He added that assistance had been provided to South Sudan in



the process of ratifying the Montreal Protocol and to several countries for the ratification of various amendments to the Protocol. Additional support had been mobilized from the Swedish International Development Cooperation Agency (SIDA) for a three-year programme for the reduction of unwanted transboundary movement of harmful substances and hazardous wastes in cooperation with 25 countries in Asia and the Pacific. 2011 had been a very challenging year for UNEP in view of the global economic context and the political situation in some regions, with activities being impeded by security concerns in Iraq and Yemen. The HPMPs for Eritrea and the United Republic of Tanzania had been submitted to the present meeting, and it was expected that most of the remaining HPMPs would be submitted to the 68<sup>th</sup> meeting of the Executive Committee.

48. The Executive Committee decided:

- (a) To note:
  - (i) UNEP's progress report contained in document UNEP/OzL.Pro/ExCom/67/13;
  - (ii) That significant balances remained for several projects for CFC activities, as indicated in Table 1 of document UNEP/OzL.Pro/ExCom/67/13;
  - (iii) That UNEP had four projects classified with implementation delays, including one that had been classified as such the previous year, and that a report on those projects should be submitted to the 68<sup>th</sup> meeting;
  - (iv) The report on expenditures for the 2011 Compliance Assistance Programme budget and the return of funds pursuant to decision 35/36(d);
- (b) To urge:
  - (i) UNEP and the Government of Mauritania to finalize arrangements to enable the release of funding for the institutional strengthening (IS) project (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 HCFC phase-out management plan (HPMP) project preparation for the country to be finalized (MAU/PHA/55/PRP/20);
  - (iv) UNEP to publish the "Study on challenges associated with halon banking in developing countries" (GLO/HAL/52/TAS/281) by the 68<sup>th</sup> meeting in order to avoid consideration of the possible return of project funds;
  - (v) UNEP to submit the outstanding terminal phase-out management plan verification reports for Kuwait (KUW/PHA/57/TAS/15) and Zambia (ZAM/PHA/57/TAS/25) as soon as possible;
- (c) To request the submission of additional status reports to the 68<sup>th</sup> meeting to monitor:
  - (i) Progress in the national CFC phase-out plan in Ecuador (ECU/PHA/61/TAS/48, ECU/PHA/61/TAS/50 and ECU/PHA/61/TAS/52), and the methyl bromide phase-out plan in Guatemala (GUA/FUM/59/TAS/39), in light of the fact that they had been approved over one year previously and disbursement levels were below 10 per cent;

- (ii) The signing of the agreement on the IS projects in Benin (BEN/SEV/62/INS/24) and São Tome and Principe (STP/SEV/63/INS/20);
- (iii) The depositing of the instruments 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 in 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) as there had been no disbursement in 2011;
- (vi) The closing of the refrigerant management plan 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 those projects were not submitted to the 68<sup>th</sup> meeting, and Bahrain (BAH/PHA/55/PRP/19) if the project was not resubmitted to the 68<sup>th</sup> meeting;
- (viii) HPMPs with issues related to:
  - a. Delays in signing the agreements for Samoa, Federated States of Micronesia, the Marshall Islands, and Palau;
  - b. Government requirements for disbursement in the case of Chile;
  - c. Delays in signing the agreement for Paraguay, although HPMP funds had been programmed for 2012 to 2014;
  - d. Delays in signing the agreement and change in staff composition at the National Ozone Unit (NOU) in the case of Timor-Leste;
  - e. Rationalization of resources for Dominica and Honduras;
  - f. Government changes and/or absence of a National Ozone Officer for Gabon, Guyana, and São Tome and Principe; and
  - g. Delays in payment of funds to the NOU by the local UNDP office, despite early dispatch of authorization from UNEP in the case of Swaziland.

**(Decision 67/11)**

**(v) UNIDO**

49. The representative of UNIDO, introducing document UNEP/OzL.Pro/ExCom/67/14, said that significant additional staff time had been allocated for progress reporting to comply with the new reporting requirements. An additional four new HPMPs were expected to be approved at the current meeting and it was planned to submit or resubmit nine HPMPs to the 68<sup>th</sup> meeting of the Executive Committee. Significant progress had been made in the implementation of an ODS disposal demonstration project in Mexico (MEX/DES/63/DEM/154), while project proposals were being submitted to the present

meeting for China and Nigeria and were being prepared for submission to the 68<sup>th</sup> meeting of the Executive Committee for Algeria and Lebanon, as well as for Eastern Europe and Central Asia. In response to a request for clarification on the MDI conversion project in Egypt (EGY/ARS/50/INV/92), he indicated that the switch to new products had occurred in June 2012. With regard to the methyl bromide phase-out project in Guatemala, for which only 13 per cent of the approved funds had been disbursed in 2011, he said that significant progress had been made, an action plan had been agreed upon, introduction of an alternative fumigant had been implemented and Guatemala was in compliance. All the funds would be obligated by the end of the year and a request for the second tranche of funding would be submitted to the next meeting of the Executive Committee.

50. The Executive Committee decided:

- (a) To note:
  - (i) UNIDO's progress report contained in document UNEP/OzL.Pro/ExCom/67/14;
  - (ii) That significant balances remained 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 would report to the 68<sup>th</sup> meeting on up to ten projects with implementation delays, including five projects that had been classified as such in 2010;
- (b) To request the submission of additional status reports to the 68<sup>th</sup> meeting to monitor:
  - (i) The resolution of the financial mechanism and co-financing issues for Nigeria, Senegal and the Sudan by the 68<sup>th</sup> meeting as a milestone for achievement in order to avoid consideration of possible cancellation in those countries of the "strategic demonstration projects for accelerated conversion of CFC chillers in African countries" (AFR/REF/48/DEM/37);
  - (ii) Projects with issues related to:
    - a. The equipment procurement process or delivery and distribution of equipment for the national ODS phase-out plan in Albania (ALB/PHA/58/INV/19 and ALB/PHA/58/INV/20), the refrigeration servicing sector CFC phase-out plan in China (CPR/REF/53/INV/453 and CPR/REF/59/INV/490), the TPMP for CFCs in Eritrea (ERI/PHA/54/INV/05 and ERI/PHA/63/INV/90), CTC phase-out for the consumption and production sectors in India (IND/PHA/45/INV/385 and IND/PHA/49/INV/402), the TPMP in Montenegro (MOG/PHA/58/INV/08), the terminal ODS phase-out umbrella project in the solvent sector in Nigeria (NIR/SOL/52/INV/116), the TPMP in the Congo (PRC/PHA/60/INV/21), the NPPs in Saudi Arabia (SAU/PHA/53/INV/03 and SAU/PHA/61/INV/10) and the Bolivarian Republic of Venezuela (VEN/PHA/57/INV/114);

- b. Delays in the implementation of the TPMP in Guinea (GUI/PHA/55/INV/20 and GUI/PHA/60/INV/24), the NPP in Iraq (IRQ/PHA/58/INV/09 and IRQ/PHA/63/INV/15), the TPMP in Côte d'Ivoire (IVC/PHA/58/INV/34), the NPP in Libya (LIB/PHA/45/INV/25 and LIB/PHA/54/INV/28), the national CFC phase-out plan in the Syrian Arab Republic (SYR/PHA/58/INV/99), and the national ODS phase-out plan in Yemen (YEM/PHA/55/INV/28 and YEM/PHA/60/INV/36) due to the political and/or security situation in these countries;
  - c. Customs clearance and tax exemption for the national CFC phase-out plan in Argentina (ARG/PHA/47/INV/147, ARG/PHA/50/INV/150 and ARG/PHA/53/INV/152);
  - d. Communication problems with the National Ozone Unit or beneficiaries of the TPMP in Burundi (BDI/PHA/62/INV/27) and the NPP in Libya (LIB/PHA/45/INV/25 and LIB/PHA/51/INV/28);
- (iii) Progress of the institutional strengthening project in Qatar (QAT/SEV/59/INS/15);
  - (iv) Completion of the selection of national experts for the methyl bromide demonstration projects in Algeria and Tunisia (AFR/FUM/54/DEM/40);
  - (v) The chiller projects in the Eastern Europe and Central Asia region with respect to the reallocation of the supplied chiller in Serbia to another beneficiary (EUR/REF/47/DEM/06);
  - (vi) Project preparation of projects, if not submitted to the 68th meeting:
    - a. For HCFC phase-out management plan (HPMP) activities in: the Democratic People's Republic of Korea (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);
    - b. For the MB project in Ethiopia (ETH/FUM/54/PRP/18) related to the process of selecting the national expert;
    - c. For the ODS disposal demonstration projects in Algeria (ALG/DES/59/PRP/74), the Eastern Europe and Central Asia Region (EUR/DES/65/PRP/12), and Lebanon (LEB/DES/61/PRP/72);
  - (vii) The following projects owing to low rates of disbursement 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), the Congo (PRC/PHA/60/INV/21), the Sudan (SUD/FOA/62/INV/28), Serbia (YUG/PHA/62/INV/38, YUG/PHA/60/INV/36, YUG/PHA/47/INV/28 and YUG/PHA/51/INV/31), Togo

(TOG/PHA/62/INV/22), Turkey (TUR/FOA/62/INV/97), Turkmenistan (TKM/PHA/62/INV/08),

- (viii) The following investment projects with low rates of 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);
- (ix) The rate of disbursement for the following technical assistance projects: Kenya (KEN/SOL/57/TAS/47), Mozambique (MOZ/FUM/60/TAS/20) and Serbia (YUG/PHA/60/TAS/35); and
- (x) 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).

**(Decision 67/12)**

**(vi) World Bank**

51. The representative of the World Bank, introducing document UNEP/OzL.Pro/ExCom/67/15, drew attention to the steady progress it had achieved in channelling Multilateral Fund assistance to countries, particularly for the phasing out of Annex A substances, with the projects in its portfolio contributing to 67 per cent of the total ODP consumption and production phased out under the Fund. One area of concern remained the consistency of data comparability between implementing agencies, as indicated in the Evaluation of the implementation of the 2011 business plans document (UNEP/OzL.Pro/ExCom/67/16). In response to a request for clarification, she indicated that, by mutual agreement with the Government, no funding had been disbursed for project preparation related to HCFC phase-out investment activities in the domestic air-conditioning sector in the Philippines (PHI/REF/59/PRP/88) as the HCFC phase-out covered by the foam sector plan would be sufficient to enable the country to meet the freeze and the 10 per cent reduction targets. The Executive Committee could therefore confirm the cancellation of the project preparation activities.

52. The representative of the Secretariat, in response to a request for clarification concerning a new approach to classification of records in the Secretariat's Inventory of Approved Projects database, indicated that the approach had not changed. The process commenced at the moment the Secretariat received a new project proposal for consideration by the Committee, when relevant project data were introduced into the database. Based on this information, the projects were presented to the Executive Committee for approval following which they were attached as an annex to the final report of the Executive Committee's meeting. After the meeting, the Secretariat added any supplementary information to the database. The updated database was then forwarded to relevant bilateral and implementing agencies for their comments and observations, which were taken into consideration. With regard to the application of the flexibility clause inherent to multi-year projects, he explained that any changes had first to be approved by the Executive Committee. Once the Committee took a decision on the matter, the database would be amended accordingly.

53. The Executive Committee decided:

- (a) To 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 68<sup>th</sup> meeting on a total of two projects with implementation delays, which had been classified as such in 2010;
- (b) To request the submission of additional status reports to the 68<sup>th</sup> meeting:
  - (i) On 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) On the signing of the agreement for two HCFC phase-out management plan activities in Viet Nam (VIE/PHA/63/INV/56 and VIE/PHA/63/TAS/58), which had been approved over one year previously;
  - (iii) On the global chiller demonstration project (GLO/REF/47/DEM/268), in light of the fact that a low rate of disbursement to date had been reported;
  - (iv) On ODS disposal preparatory activities in Indonesia (IDS/DES/57/PRP/187) and the Philippines (PHI/DES/57/PRP/85), if these projects were not submitted to the 68<sup>th</sup> meeting; and
- (c) To confirm the cancellation of 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) and request the World Bank to return the fund balance to the Multilateral Fund or to redirect it to other HCFC phase-out activities.

**(Decision 67/13)**

**(c) Evaluation of the implementation of the 2011 business plans**

54. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/16, containing an evaluation of the 2011 business plans of the implementing agencies. Subsequent to the dispatch of documents, Germany had informed the Secretariat that it had consulted with the national ozone officers from the Islamic Republic of Iran and Namibia responsible for the "less than satisfactory" ratings, and they had confirmed that their assessments were in error and that they were satisfied with the agency's performance. In addition, UNEP had provided information on its dialogue with five Article 5 countries for which it had received "less than satisfactory" ratings, and four of them had indicated that the ratings were in error. Finally, UNEP had held discussions with the NOU of Tuvalu and had agreed on an action plan to address the issues raised.

55. The Executive Committee decided:

- (a) To note:
  - (i) The evaluation of the implementing agencies' performance against their 2011 business plans as contained in document UNEP/OzL.Pro/ExCom/67/16 and the clarifications provided at the meeting;

- (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) To request:
  - (i) The World Bank to hold 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 68<sup>th</sup> meeting on the results of its consultations with the country on the implementation matters raised in the qualitative performance assessments; and
  - (ii) UNEP to hold an open and constructive discussion with the NOU in Afghanistan about the areas where UNEP's services were perceived to be "less than satisfactory", and with the NOU of Haiti about the areas where UNEP's services were perceived to be "less than satisfactory" and "unsatisfactory", and to report to the 68<sup>th</sup> meeting on the results of its consultations with those countries on the implementation matters raised in the qualitative performance assessments.

**(Decision 67/14)**

**AGENDA ITEM 7: OPTIONS FOR AN ADMINISTRATIVE COST REGIME FOR THE 2012-2014 TRIENNIUM (DECISIONS 65/18 AND 66/17)**

56. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/17 containing the Secretariat's analysis of, and observations on, the options for an administrative cost regime for the 2012–2014 triennium presented at the 66<sup>th</sup> meeting of the Executive Committee, together with the additional options discussed at that meeting.

57. One member said that, bearing in mind the aim of achieving an administrative cost regime that was fair and sustainable, several of the options presented had merit, though none would return the Multilateral Fund to its historical average of 11.24 per cent. Additional options might therefore be considered. Several other members concurred, and the Committee agreed to set up a contact group to discuss the matter further, with the involvement of the implementing agencies.

58. The World Bank noted for the record the importance of arriving at a production sector fee as a mutually shared target given that cost drivers may be wide ranging and not fully within agency control, understanding that efforts would be made on all sides to agree to align costs and requested services to achieve this.

59. Following the report of the contact group, the Executive Committee decided:

- (a) To continue to apply the existing administrative cost regime to UNEP and the bilateral agencies during the 2012–2014 triennium;
- (b) To apply a new administrative cost regime for the 2012–2014 triennium to UNDP, UNIDO and the World Bank, consisting of annual core unit funding for which an annual increase of up to 0.7 per cent could be considered subject to annual review, and to apply the following agency fees on the basis of funding per agency:
  - (i) An agency fee of 7 per cent for projects with a project cost above US \$250,000, as well as institutional strengthening projects and project preparation;

- (ii) An agency fee of 9 per cent for projects with a project cost at or below US \$250,000;
  - (iii) An agency fee no greater than 6.5 per cent, to be determined on a case-by-case basis for projects in the production sector; and
- (c) To review the administrative cost regime and its core unit funding budget at the 74<sup>th</sup> meeting of the Executive Committee, i.e. the last meeting of the 2012–2014 triennium.

**(Decision 67/15)**

## **AGENDA ITEM 8: PROJECT PROPOSALS**

### **(a) Overview of issues identified during project review**

60. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/18, containing: an analysis of the number of projects and activities submitted to the current meeting; the list of projects and activities submitted for blanket approval; and the list of investment projects submitted for individual consideration.

#### Maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector

61. The Chair said that although no new policy issues had been identified during the project review process, the Committee had decided at its 66<sup>th</sup> meeting to continue considering, at the present meeting, the issue of maximizing the climate benefits from the phase-out of HCFCs in the refrigeration servicing sector. The Committee agreed to set up a contact group to discuss the matter further.

62. The Convenor of the contact group said that the group had prepared a revision to the draft recommendation on the issue, which would be forwarded to the 68<sup>th</sup> meeting of the Executive Committee for further consideration.

63. Further to the report by the Convenor of the contact group, the Executive Committee decided:

- (a) To note the revised proposal by the Convenor of the contact group on maximizing climate benefits from the phase-out of HCFCs in the refrigeration servicing sector, attached as Annex VI to the present report;
- (b) To invite Executive Committee members to submit written comments on the revised proposal to the Secretariat no later than 14 September 2012; and
- (c) To request the Secretariat to compile the comments received from Executive Committee members and to submit them, together with the revised proposal by the Convenor, in the document on overview of issues identified under project review, for consideration by the Executive Committee at its 68<sup>th</sup> meeting.

**(Decision 67/16)**

#### Endorsement by Governments

64. One member observed that it had been the practice of one implementing agency to provide information to the Secretariat, which was then included in documents submitted to the Executive Committee, without first checking with the government. On several occasions the implementing agency



had interacted directly with stakeholders without keeping the government informed. He sought clarification concerning the applicable procedures and proposed the adoption of a decision to ensure that submissions were only made by bilateral and implementing agencies on behalf of Article 5 countries with the prior written endorsement of the government concerned, and that the agencies did not collect information from project beneficiaries without the consent of the relevant government.

65. In response, the Chief Officer indicated that a procedure had been in place since the 3<sup>rd</sup> meeting of the Executive Committee, pursuant to which any request for project funding had to be accompanied by a letter of endorsement from the government concerned before it could be considered by the Secretariat for submission to the Executive Committee. That procedure was followed in all cases. The Executive Committee had also taken a decision at its 30<sup>th</sup> meeting requesting bilateral and implementing agencies to inform the NOUs of the purpose and outcome of all missions by their staff and consultants to the countries concerned and always to involve NOUs in project identification and preparation.

66. Several members agreed that it was important to ensure that countries were informed and in agreement with activities at the national level. However, relevant procedures already existed. They also emphasized the need to retain sufficient flexibility of action and to avoid delays. The representatives of the implementing agencies confirmed that the requirement of official endorsement was followed when submitting projects for Article 5 countries for approval and that it was their policy to go through the relevant governments for project work.

67. In light of the discussion, the Executive Committee decided to request the Secretariat to prepare a document for consideration by the Executive Committee at its 68<sup>th</sup> meeting outlining the procedures currently in force for the submission of project proposals from bilateral and implementing agencies on behalf of governments.

**(Decision 67/17)**

*Projects and activities submitted for blanket approval*

68. Regarding the list of projects submitted for blanket approval, the Committee agreed to remove the HPMP for Ghana stage I (second tranche) from that list, and to present it for individual consideration.

69. The Executive Committee decided:

- (a) To approve the projects and activities submitted for blanket approval at the levels of funding indicated in Annex VII to the present 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, noting the updated Agreement between the Bolivarian Republic of Venezuela and the Executive Committee, attached as Annex VIII to the present report;
- (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 IX to the present report.

**(Decision 67/18)**

**(b) Bilateral cooperation**

70. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/19, and confirmed that all requests for bilateral activities to the 67<sup>th</sup> meeting were within the maximum 20 per cent of the countries' 2012 pledged contributions.

71. The Executive Committee decided to request the Treasurer to offset the costs of the bilateral projects approved at the 67<sup>th</sup> meeting as follows:

- (a) US \$67,800 (including agency fees) against the balance of Italy's bilateral contribution for 2012; and
- (b) US \$1,009,000 (including agency fees) against the balance of Japan's bilateral contribution for 2012.

**(Decision 67/19)**

**(c) Amendments to work programmes for 2012**

**(i) UNDP**

72. The Chair introduced document UNEP/OzL.Pro/ExCom/67/20 containing three IS renewal requests submitted by UNDP, which had been addressed as part of blanket approval under agenda item 8(a).

**(ii) UNEP**

73. The Chair introduced document UNEP/OzL.Pro/ExCom/67/21 containing 18 IS renewal requests submitted by UNEP, which had been addressed as part of blanket approval under agenda item 8(a).

**(iii) UNIDO**

74. The Chair introduced document UNEP/OzL.Pro/ExCom/67/22 containing one IS renewal request submitted by UNIDO, which had been addressed as part of blanket approval under agenda item 8(a).

**(d) Investment projects**

**Revisions with no funding implications**

China: HCFC phase-out management plan (stage I) (UNDP)

75. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/23.

76. The Executive Committee decided:

- (a) To approve the updated Agreement between the Government of China and the Executive Committee for the reduction in consumption of HCFCs submitted by UNDP, on behalf of the Government of China; and
- (b) To note that the Fund Secretariat had updated paragraphs 1, 6 and 9 and Appendices 1-A, 2-A, 6-C and 6-D of the Agreement between the Government of China and the Executive Committee to reflect the newly established HCFC baseline for compliance, the change in responsibility of co-operating agencies, and the now established agency support costs, and that a new paragraph 15 had been added to indicate that the updated Agreement superseded that reached at the 65<sup>th</sup> meeting and its revised Appendix 5-A approved at the 66<sup>th</sup> meeting, as shown in Annex X to the present report.

**(Decision 67/20)**

India: CTC phase-out plan for the consumption and production sectors (World Bank)

77. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/26 containing a work plan covering the funds remaining in the CTC phase-out plan in India, but informed members that the Government of India had asked that the submission be withdrawn as important stakeholders were not in agreement with the plan. He reminded members that it was the second consecutive meeting to which such a work plan had been submitted.

78. In response to a question, the representative of the Secretariat informed members that the activities foreseen related to CTC feedstock uses which although not controlled under the Montreal Protocol, were part of a comprehensive approach to the monitoring of CTC use throughout its lifetime, and were meaningful in that context.

79. Members expressed their disappointment at the withdrawal of the submission and stressed the need for action to complete the project. Following a request by India to take the floor to provide a more detailed explanation for the withdrawal, members agreed to hold informal discussions in the margins of the meeting.

80. Following informal discussions among the World Bank, interested members of the Executive Committee and the Secretariat, the Executive Committee decided to request the World Bank to submit a work plan covering the funds remaining in the CTC phase-out plan in India to the 68<sup>th</sup> meeting of the Executive Committee.

**(Decision 67/21)**

**CFC production**

India: Accelerated CFC production sector phase-out plan (second tranche) (World Bank)

81. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/26 containing a request from the Government of India for the final tranche in the CFC accelerated production sector phase-out agreement. Subsequent to the dispatch of the documents, the World Bank had received notification that all the infrastructure specifically related to CFC production had been dismantled or destroyed by the producers, though verification had yet to be confirmed. Regarding the destruction of 11.74 tonnes of contaminated CFCs and 24.4 tonnes of non-pharmaceutical-grade CFCs, producers had been working with a cement company in India to establish a process for their destruction.

82. The Committee agreed that further informal discussions be held on the matter among interested parties. Following that discussion, the Committee agreed that the project should be approved but that the proposed amount should be reduced by 30 per cent, being the proportion associated with the company (Navin Fluorine International) that still had some contaminated CFCs to be destroyed. The representative of the Secretariat noted that the first tranche of this accelerated production sector phase-out project had already been approved at a total value of US \$3.17 million, of which US \$2.113 million had already been disbursed, with the total agency fees to be paid in the final tranche.

83. The Executive Committee decided to approve 70 per cent of the funding request for the second and final tranche under the accelerated CFC production sector phase-out plan in India at the amount of US \$739,900, plus agency support costs of US \$213,968 for the World Bank, on the understanding that the remaining amount of US \$317,000, plus agency support costs of US \$24,032 for the World Bank, would be approved by the Executive Committee once the contaminated CFCs had been destroyed.

**(Decision 67/22)**

**ODS disposal**China: Pilot demonstration project on ODS waste management and disposal (UNIDO/Japan)

84. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/23, containing information on a proposal submitted by UNIDO, on behalf of the Government of China, for a demonstration project for the disposal of unwanted ODS, which would destroy 192 metric tonnes of waste ODS in China. The project had been submitted in line with decision 58/19 and would be implemented jointly with the Government of Japan as bilateral partner.

85. The Government of China, through UNIDO, had requested clarification of the conditions for project approval being based on the understanding that no further funds would be available for China for any ODS disposal projects in future. One member pointed out that the condition applied to all ODS destruction projects that fell under decision XX/7 of the Twentieth Meeting of the Parties to the Montreal Protocol, as well as decision 58/19 of the Executive Committee.

86. Regarding the project proposal, several members praised the innovative design of the project, but sought clarification on a number of issues, including how sustainability would be achieved, how the information on the various outcomes would be disseminated to relevant facilities in China, the eligibility of some of the proposed supporting activities under a pilot project, the high costs of destruction compared to similar projects approved for other countries, and how the destruction and waste management approaches used in the pilot demonstration projects would be extended to sectors other than domestic refrigeration. The representative of UNIDO responded to the issues raised. A small group of interested members discussed the other outstanding issues further with UNIDO and China.

87. Following those discussions, the Executive Committee decided:

- (a) To note with appreciation the submission by the Government of China of a pilot ODS waste management and disposal project to destroy a total of 192 metric tonnes of ODS waste; and
- (b) To approve the implementation of the pilot project for ODS waste management and destruction in China at the total amount of US \$2,322,837, consisting of US \$1,227,885, plus agency support costs of US \$85,952 for UNIDO, and US \$900,000, plus agency support costs of US \$109,000 for the Government of Japan, on the understanding that no further funds would be available for China for any ODS disposal projects in future in the absence of a new relevant decision of the Meeting of the Parties.

**(Decision 67/23)**

Nigeria: Demonstration project for disposal of unwanted ODS (UNIDO)

88. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/27, containing a proposal for a demonstration project for the disposal of unwanted ODS in Nigeria. The project was being considered in line with decision 58/19 and addressed the destruction of 84 tonnes of waste ODS in the country.

89. One member sought clarification on a number of issues pertaining to the proposal, including arrangements to ensure that shipping of waste to the United States for destruction did not contravene international agreements, including the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, and how to ensure that any returns on investment through carbon credits were used to help finance phase II of the project. The representative of UNIDO said that those matters had been taken into account in the project proposal.

90. After further discussion, the Executive Committee decided:
- (a) To note with appreciation the submission by the Government of Nigeria of a pilot ODS waste management and disposal project to destroy a total of 84 metric tonnes of ODS waste;
  - (b) To note the commitment of the Government of Nigeria to use any income from the marketing of greenhouse gas (GHG) emission reductions generated by or associated with the project for the establishment of an appliance replacement programme in the country to sustain the waste ODS recovery and collection system;
  - (c) To approve the implementation of the pilot project for ODS waste management and destruction in Nigeria at the amount of US \$911,724, plus agency support costs of US \$63,821 for UNIDO, noting that approval was on the understanding that:
    - (i) No further funds would be available for Nigeria for any ODS disposal projects in future;
    - (ii) Any marketing of GHG emission reductions generated by or associated with the project would be subject to a decision by the Executive Committee; and
  - (d) To request the Government of Nigeria, through UNIDO, to establish a monitoring system for the operation of and the activities associated with, the ODS disposal demonstration project, and to request UNIDO to report thereon to the Executive Committee at the completion of the project in 2014, ensuring that no marketing of GHG emission reductions had taken place.

**(Decision 67/24)**

### **Tranches of HPMPs**

#### Ghana: HCFC phase-out management plan (stage I, second tranche) (UNDP/Italy)

91. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/67/25 and Add.1, explaining that the project had originally been proposed for blanket approval, but had been included in the projects for individual consideration in view of the changes in the calculation of the starting point for aggregate reduction in consumption (ODP tonnes). The baseline had been recalculated as the figures for one year (2009) taken into consideration in the original calculation had been unusually high. The new targets were set out in Annex I, Appendix 2-A, which formed part of the updated Agreement that superseded the Agreement reached between the Government of Ghana and the Executive Committee at its 61<sup>st</sup> meeting.

92. The Executive Committee decided:
- (a) To note:
    - (i) The progress report on the implementation of the first tranche of stage I of the HCFC phase-out management plan (HPMP) for Ghana;
    - (ii) That the Fund Secretariat had updated paragraph 1, and Appendices 1-A and 2-A of the Agreement between the Government of Ghana and the Executive Committee, to reflect newly established HCFC baseline for compliance, and that a new paragraph 16 had been added to indicate that the updated Agreement

superseded that reached at the 61<sup>st</sup> meeting, as shown in Annex XI to the present report;

- (iii) That the revised starting point for sustained aggregate reduction in HCFC consumption was 57.3 ODP tonnes, calculated using the actual consumption of 77.3 ODP tonnes and 37.2 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol; and
- (b) To approve the second tranche of stage I of the HPMP for Ghana and the corresponding 2012 and 2013 tranche implementation plans at the amount of US \$282,800, consisting of US \$200,000, plus support costs of US \$15,000 for UNDP, and US \$60,000, plus support costs of US \$7,800 for the Government of Italy.

**(Decision 67/25)**

The former Yugoslav Republic of Macedonia: HCFC phase-out management plan (stage I, third tranche) (UNIDO)

93. The representative of the Secretariat introduced documents UNEP/OzL.Pro/ExCom/67/31 and Add.1. In response to a request for clarification, he indicated that a correction should be made to Table 3 (Agreed funding for the foam activity), in which the year “2011” for the incremental operating cost should actually read “2007-2009”. One member also noted that the analyses previously sought on second stage conversions had not been provided in the documentation and had been provided to it separately upon request.

94. The Executive Committee decided:

- (a) To note:
  - (i) The progress report on the implementation of the second tranche of stage I of the HCFC phase-out management plan (HPMP) for The former Yugoslav Republic of Macedonia;
  - (ii) That the established starting point for sustained aggregate reduction in HCFC consumption was 3.35 ODP tonnes, calculated using the actual consumption of 4.0 ODP tonnes and 1.3 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, plus 0.65 ODP tonnes of HCFC-141b contained in imported pre-blended polyols not reported under Article 7 in eligible enterprises;
  - (iii) The commitment of the Government of The former Yugoslav Republic of Macedonia to ban imports of HCFC-141b, both pure and contained in pre-blended polyols, as soon as the last foam manufacturing plant had been converted to non-HCFC technology, scheduled for the year 2015;
  - (iv) That the Fund Secretariat had updated the Agreement between the Government of The former Yugoslav Republic of Macedonia and the Executive Committee on the reduction in consumption of HCFCs as shown in Annex XII to the present report:
    - a. To reflect the established baseline for compliance, pursuant to decision 60/38(e), with the associated changes to paragraphs 1 and 2, and Appendices 1-A and 2-A;

- b. To include the phase-out of the use of HCFC-141b in pre-blended polyols, pursuant to decision 60/38(g)(i), with the associated changes to Appendix 2-A, reflecting the associated costs of US \$136,955, plus agency support costs of US \$10,272 for UNIDO;
  - c. To add a new paragraph 16 to indicate that the updated Agreement superseded the Agreement reached at the 60<sup>th</sup> meeting; and
- (b) To approve the third tranche of stage I of the HPMP of The former Yugoslav Republic of Macedonia, and the corresponding tranche implementation plan, at the amount of US \$294,955, plus agency support costs of US \$22,122 for UNIDO, which includes the phase-out of HCFC-141b in pre-blended polyols.

**(Decision 67/26)**

### **HPMPs for low-volume-consuming countries**

#### Eritrea: HCFC phase-out management plan (stage I, first tranche) (UNEP/UNIDO)

95. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/24. In response to requests for clarification concerning the incentive programme for retrofitting, taking into account the lack of low-global-warming potential (GWP) alternatives for retrofitting equipment in Eritrea, she explained that UNEP had agreed that, in view of this, rather than seeking immediate action on retrofitting, emphasis would instead be placed on strengthening technical schools in Eritrea and promoting training in good practices. The HPMP covered the period up to 2020 and retrofitting would be introduced later in that period, with the plan for stage I being revised accordingly.

96. The Executive Committee decided:

- (a) To approve, in principle, stage I of the HCFC phase-out management plan (HPMP) for Eritrea for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, at the amount of US \$182,685, consisting of US \$84,500, plus agency support costs of US \$10,985 for UNEP, and US \$80,000, plus agency support costs of US \$7,200 for UNIDO;
- (b) To note that the Government of Eritrea had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 0.1 ODP tonnes, calculated using the consumption of 0.1 ODP tonnes reported for 2009 and 2010 under Article 7 of the Montreal Protocol;
- (c) To deduct 0.03 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (d) To approve the draft Agreement between the Government of Eritrea and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex XIII to the present report;
- (e) To request the Fund Secretariat, in the event that the baseline consumption for compliance for Eritrea was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the revised figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was

submitted; and

- (f) To approve the first tranche of stage I of the HPMP for Eritrea, and the corresponding tranche implementation plan, at the amount of US \$88,800, consisting of US \$40,000, plus agency support costs of US \$5,200 for UNEP, and US \$40,000, plus agency support costs of US \$3,600 for UNIDO.

**(Decision 67/27)**

Somalia: HCFC phase-out management plan (stage I, first tranche) (UNIDO)

97. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/28. In response to a request for clarification, she indicated that no hydrocarbon refrigerant was being used in Somalia at the present time, and the promotion of the low-GWP alternatives would be integrated into the training of technicians and awareness-raising activities during the implementation of the HPMP.

98. During the discussion, several members welcomed the efforts that had been made by the Secretariat, the implementing agency and the Government to develop a project despite the many challenges faced by the country. One member remarked that the proposal to provide security-related funding for Somalia was unusual as the Executive Committee had not approved security-related funding for almost 20 years, although many countries had experienced wars, civil unrest, and other internal strife during that historical time frame. The language used in the recommendation should specify that such an allocation did not set any precedent for the future as the situation in Somalia was exceptional. The progress made should also be reviewed during the course of the project. Another member, while agreeing that no precedent should be set, emphasized that similar considerations should be taken into account if countries were in a similar situation to that experienced in Somalia.

99. The Executive Committee decided:

- (a) To approve, in principle, stage I of the HCFC phase-out management plan (HPMP) for Somalia for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, at the amount of US \$315,000, plus agency support costs of US \$22,050 for UNIDO;
- (b) To note that the Government of Somalia had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 5.3 ODP tonnes, calculated using the consumption of 5.1 ODP tonnes and 5.5 ODP tonnes reported for 2009 and 2010, respectively, based on the revised survey data, plus 1.68 ODP tonnes of HCFC-141b contained in imported pre-blended polyols systems, resulting in 6.97 ODP tonnes;
- (c) To deduct 1.85 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (d) To approve the draft Agreement between the Government of Somalia and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex XIV to the present report;
- (e) To request the Fund Secretariat, in the event that the baseline consumption for compliance for Somalia was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the revised figures for maximum allowable consumption;



- (f) To approve the first tranche of stage I of the HPMP for Somalia, and the corresponding tranche implementation plan, at the amount of US \$133,500, plus agency support costs of US \$9,345 for UNIDO;
- (g) To approve, on an exceptional basis, and without setting a precedent for any future projects, the funding of US \$40,374, plus agency support costs of US \$2,826 for UNIDO, in the first tranche for the security-related costs, in addition to the funding of stage I of the HPMP to enable the implementation of the programme;
- (h) To note that additional funding of US \$45,000, plus agency support costs of US \$3,150 for UNIDO, could be requested when the second tranche was being submitted, on the understanding that approval of this funding would be subject to an assessment of the security situation at the time; and
- (i) To allow Somalia to submit the foam sector plan for phasing out the HCFC-141b contained in imported pre-blended polyols during the implementation of stage I of the HPMP.

**(Decision 67/28)**

United Republic of Tanzania: HCFC phase-out management plan (stage I, first tranche)  
(UNEP/UNIDO)

100. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/32.
101. The Executive Committee decided:
- (a) To approve, in principle, stage I of the HCFC phase-out management plan (HPMP) for the United Republic of Tanzania for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, at the amount of US \$233,300, consisting of US \$110,000, plus agency support costs of US \$14,300 for UNEP, and US \$100,000, plus agency support costs of US \$9,000 for UNIDO;
  - (b) To note that the Government of the United Republic of Tanzania had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the established baseline of 1.7 ODP tonnes, calculated using consumption of 1.4 ODP tonnes and 2.0 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol;
  - (c) To deduct 0.59 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
  - (d) To approve the draft Agreement between the Government of the United Republic of Tanzania and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex XV to the present report;
  - (e) To request the Fund Secretariat, in the event that the baseline consumption for compliance for the United Republic of Tanzania was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the revised figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted; and

- (f) To approve the first tranche of stage I of the HPMP for the United Republic of Tanzania, and the corresponding tranche implementation plan, at the amount of US \$116,650, consisting of US \$55,000, plus agency support costs of US \$7,150 for UNEP, and US \$50,000, plus agency support costs of US \$4,500 for UNIDO.

**(Decision 67/29)**

### **HPMPs for non-low-volume-consuming countries**

#### South Africa: HCFC phase-out management plan (stage I, first tranche) (UNIDO)

102. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/29. Several members welcomed the concept, the climate impact and cost-effectiveness of the project, although one member called for a progress report in 2013 on regulatory action and reductions by non-eligible companies. In response to a request for clarification, the representative of the Secretariat indicated that emphasis would be placed on the use of low-GWP alternative technologies by the companies concerned. Following a call by several members for a commitment to an additional reduction, the representative of UNIDO added that, after further discussions, the Government of South Africa undertook to meet a 35 per cent reduction in HCFC consumption in relation to the baseline by 2020.

103. The Executive Committee decided:

- (a) To approve, in principle, stage I of the HCFC phase-out management plan (HPMP) for South Africa for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline, at the amount of US \$6,533,556, plus agency support costs of US \$457,349 for UNIDO;
- (b) To note that the Government of South Africa had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the established baseline of 369.7 ODP tonnes, calculated using the consumption of 339.2 ODP tonnes and 400.1 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol;
- (c) To note the commitment of the Government of South Africa to ban imports and exports of HCFC-141b, both pure or as a component of blended chemicals for use in the production of foams or as solvents or any other application, no later than 1 January 2016, and to ban imports of new or used refrigeration and air-conditioning systems containing HCFCs by 1 January 2014;
- (d) To deduct 176.72 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption;
- (e) To note that approval of stage I of the HPMP did not preclude South Africa from submitting, not earlier than 2015, a proposal to achieve a reduction in HCFCs beyond that addressed in stage I of the HPMP;
- (f) To approve the Agreement between the Government of South Africa and the Executive Committee for the reduction in consumption of HCFCs, as contained in Annex XVI to the present report;
- (g) To request the Fund Secretariat, in the event that the baseline consumption for compliance for South Africa was amended based on revised Article 7 data, to update Appendices 1-A and 2-A to the Agreement to include the revised figures for maximum

allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption;

- (h) To approve the first tranche of stage I of the HPMP for South Africa, and the corresponding tranche implementation plan, at the amount of US \$1,960,229, plus agency support costs of US \$137,216 for UNIDO; and
- (i) To request UNIDO to provide within its tranche implementation plan a specific section reporting on the progress on implementing the accelerated phase-out of non-eligible HCFC consumption and concrete measures taken to prepare and implement the import and export controls for HCFC-141b and HCFC-containing equipment.

**(Decision 67/30)**

Thailand: HCFC phase-out plan (stage I, first tranche) (World Bank)

104. The representatives of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/30, containing stage I of the HPMP for Thailand, which aimed to achieve a 10 per cent reduction in the HCFC consumption baseline by 2015 through investment projects and technical assistance in the polyurethane foam and air-conditioning manufacturing sectors. The World Bank, on behalf of the Government of Thailand, had originally submitted the HPMP to the 66<sup>th</sup> meeting of the Executive Committee which had decided to defer its consideration to the present meeting. Discussions between the Secretariat and the implementing agency since the 66<sup>th</sup> meeting had resulted in a revised proposal with a reduced level of funding in the foam sector. However, there had been insufficient time to conclude the discussions, as the air-conditioning component and 2011 consumption data were submitted after the issuance of the documentation, just days before the 67<sup>th</sup> meeting. Based on the 2011 consumption data it remained to be decided to what extent Thailand would need to receive funding for phase-out beyond 10 per cent of the HCFC consumption baseline to comply with the 2013 and 2015 consumption targets.

105. A number of members stated their appreciation of the work that had been undertaken to address the concerns expressed by members of the Committee at the 66<sup>th</sup> meeting, including those on the level of funding. However, several members still had reservations on some aspects of the project, including the high level of reduction proposed in relation to the level of the country's commitment, the large transition to HFCs with relatively high GWP, and the need for the amount of activity envisaged in the air-conditioning sector. Several members of the Committee urged that every effort be made to resolve any outstanding issues so that the HPMP could move forward, particularly in view of the rapidly approaching 2013 deadline for the freeze on HCFC consumption. The representative of the World Bank outlined the factors that had led to the current version of the HPMP.

106. The Committee established a contact group to discuss the matter further. Subsequently, the Convenor of the contact group reported that the group recognized the efforts undertaken by the Government of Thailand, the World Bank, and the industries of Thailand and Japan to prepare a revised proposal for the 67<sup>th</sup> meeting of the Executive Committee. In view of the late submission of the air-conditioning component, the contact group had considered recommending approval of the foam sector only, but the Government of Thailand expressed a preference for further development of the project proposal as a complete package for consideration at the 68<sup>th</sup> meeting of the Executive Committee.

107. Accordingly, the Executive Committee decided:

- (a) To note:
  - (i) That, subsequent to its 66<sup>th</sup> meeting, a revised foam sector component for the HCFC phase-out management plan (HPMP) for Thailand had been submitted in

time for review and consideration by the 67<sup>th</sup> meeting, although a revised air-conditioning sector component had not;

- (ii) That the contact group had been prepared to recommend approval of the foam sector component of the HPMP addressing 16 per cent of the baseline consumption of Thailand and to consider the air-conditioning sector component at the 68<sup>th</sup> meeting, following a review of the proposal by the Secretariat;
  - (iii) That the Government of Thailand had preferred that the HPMP be considered as a whole at the 68<sup>th</sup> meeting;
  - (iv) With appreciation, the efforts of the Government of Thailand to address some comments and concerns relating to the HPMP raised by members of the Executive Committee at its 66<sup>th</sup> meeting; and
- (b) To look forward to the submission of a revised HPMP.

**(Decision 67/31)**

**AGENDA ITEM 9: REPORT ON THE MULTILATERAL FUND CLIMATE IMPACT INDICATOR (MCII) (DECISIONS 59/45, 62/62, 63/62, 64/51, 65/48 AND 66/53)**

108. The representative of the Secretariat gave a presentation on the MCII, explaining how it worked and demonstrating how it could be used. He said that the current version could easily be updated to include other chemicals as new alternatives were developed.

109. At a subsequent session the representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/34 and said that, in order to facilitate discussions on the MCII, an online forum had been established and currently contained contributions from three agencies and three members of the Executive Committee. One member informed the Committee that a discussion paper on the template for a fact sheet covering useful information beyond the scope of the MCII had been uploaded onto the online forum.

110. Several members reiterated comments on the benefits and limitations of the MCII. Some questioned the need for the MCII and said that there were other indicators that already made a calculation based on the GWP of various chemicals. It was pointed out, however, that the MCII also projected the energy efficiency of equipment when using different chemicals and energy sources. It was also stated that the MCII was already providing information that was being used by the Secretariat in preparing documents for the Committee and had therefore moved beyond the experimental stage.

111. One member expressed satisfaction that the indicator was available in the public domain. However, another member asked why the Secretariat had not considered human health and environmental conditions when developing the MCII. The representative of the Secretariat said that the development of the MCII had been guided by sub-paragraph 11(b) of decision XIX/6 of the Nineteenth Meeting of the Parties, focusing only on the climate impact without prejudice to the assessment of other impacts on the environment.

112. The Executive Committee decided:

- (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 light of the

comments received prior to and during the 67<sup>th</sup> meeting of the Executive Committee;

- (c) To request the Secretariat to present a fully-developed version of the MCII to the Executive Committee no later than its 69<sup>th</sup> meeting, and to propose options for its further implementation; and
- (d) To request the Secretariat to inform the Executive Committee of the progress made and experience gained in applying the MCII to project submissions no later than its 70<sup>th</sup> meeting.

**(Decision 67/32)**

#### **AGENDA ITEM 10: PROVISIONAL 2011 ACCOUNTS**

113. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/35. She indicated that, further to the report on the issue of the outstanding contribution of the Russian Federation as already presented to the meeting, the words “considered uncollectable” would be deleted from the footnote in Schedule 1.2. The footnote would also make reference to international accounting standards. One member added that the Secretariat should bring to the attention of the Executive Committee any elements in the final audit of UNEP’s accounts for the 2010-2011 biennium by the United Nations Board of Auditors that were of relevance to the Multilateral Fund.

114. The Executive Committee decided:

- (a) To note:
  - (i) The Multilateral Fund’s provisional 2011 accounts;
  - (ii) That the final 2011 accounts of the Fund would be submitted to the Committee at the 68<sup>th</sup> meeting, and that further adjustments would be introduced as required;
  - (iii) The actions taken by the Treasurer in 2011 to reflect the adjustments resulting from the reconciliation of the 2010 accounts exercise; and
- (b) To request the Secretariat to bring to the attention of the Executive Committee elements of the 2010-2011 audit of UNEP’s accounts by the United Nations Board of Auditors of relevance to the Multilateral Fund.

**(Decision 67/33)**

#### **AGENDA ITEM 11: DISTRIBUTION OF CONFIDENTIAL DOCUMENTS (DECISION 66/55)**

115. The representative of the Secretariat introduced document UNEP/OzL.Pro/ExCom/67/36 on the distribution of confidential documents. Following discussion of the matter at its 66<sup>th</sup> meeting, the Executive Committee, by decision 66/55, had requested the Secretariat to review current practice and to propose for consideration at the 67<sup>th</sup> meeting measures to ensure secure and timely distribution of confidential material to designated members of the Committee.

116. One member said that any approach should take account of existing procedures for dealing with confidential documents, for example as contained in the Policies, Procedures, Guidelines and Criteria of the Multilateral Fund, and offered further suggestions as to how the Secretariat and the Executive Committee might deal with the matter.

117. Following further discussions, the Executive Committee decided:

- (a) To take note of document UNEP/OzL.Pro/ExCom/67/36;
- (b) To apply, with regard to the review of confidential documents by the Executive Committee, the procedure set out in Part III of the “Guidelines for the financing of projects using technology that is not in the public domain” (Annex XIV to document UNEP/OzL.Pro/ExCom/38/70/Rev.1), as approved by the Executive Committee in decision 38/63, and other decisions taken by the Executive Committee related to the handling of confidential documents and information;
- (c) To request the Secretariat to maintain a list of confidential documents issued from the 53<sup>rd</sup> meeting onwards and to post the list on the Multilateral Fund intranet, updating it as necessary at each meeting of the Executive Committee.

**(Decision 67/34)**

**AGENDA ITEM 12: DRAFT REPORT OF THE EXECUTIVE COMMITTEE TO THE TWENTY-FOURTH MEETING OF THE PARTIES TO THE MONTREAL PROTOCOL**

118. The Chief Officer introduced document UNEP/OzL.Pro/ExCom/67/37, indicating that the draft report contained the most important decisions taken by the 66<sup>th</sup> meeting of the Executive Committee as it was the only one to have taken place since the Twenty-third Meeting of the Parties, and that it would need to be updated to reflect the decisions adopted at the 67<sup>th</sup> meeting.

119. The Executive Committee decided to authorize the Secretariat to finalize the report in the light of the decisions taken at its 67<sup>th</sup> meeting and to introduce any changes deemed necessary.

**(Decision 67/35)**

**AGENDA ITEM 13: REPORT OF THE SUB-GROUP ON THE PRODUCTION SECTOR**

120. The representative of Canada, as Convenor of the Production Sector Sub-group, introduced the Sub-group’s report contained in document UNEP/OzL.Pro/ExCom/67/38. She said that, owing to lack of time, the Sub-group had been unable to address the HCFC production sector guidelines. However, it had considered the final report on the technical audit of the HCFC production sector in China, and had heard a presentation by the World Bank and China on the cost methodology that had been used in the China HPPMP (stage I), a presentation by the consultant on the technical audit, as well as a presentation by the Secretariat on documents UNEP/OzL.Pro/ExCom/67/SGP/3, Corr.1 and Add.1.

121. The representative of China said that urgent action was needed and urged the members of the Executive Committee to work intersessionally in order to reach a consensus on the guidelines and the HPPMP for China at its next meeting. She also expressed concern on information contained in the final technical audit report in general and said that specific comments on the Sub-group’s report would be given to the Secretariat.

122. The Executive Committee decided:

- (a) To request the Secretariat to undertake new analyses related to information needs identified during the meeting of the Production Sector Sub-group held in the margins of the 67<sup>th</sup> meeting of the Executive Committee, for submission to the 68<sup>th</sup> meeting;
- (b) To further request the World Bank to provide for submission to the 68<sup>th</sup> meeting of the Executive Committee the outstanding information identified in document UNEP/OzL.Pro/ExCom/67/SGP/3;
- (c) To note the urgency and challenges facing the Government of China and its industry to meet the 2013 and 2015 Montreal Protocol HCFC control targets in the production sector;
- (d) To further note the intention of the Production Sector Sub-group to hold intersessional consultations in the margins of and/or before or after the Twenty-fourth Meeting of the Parties with a view to facilitating discussions at the 68<sup>th</sup> meeting; and
- (e) To confirm the Executive Committee's commitment to consider the HCFC production sector phase-out management plan for China at its 68<sup>th</sup> meeting with the aim of reaching agreement thereon.

**(Decision 67/36)**

123. The observer for the Environmental Investigation Agency, speaking at the invitation of the Chair, called for the adoption of an overarching strategy for production phase-out without increased reliance on high-GWP HFCs. If the first priority of taking the plants out of production was not feasible, it was preferable to switch them from HCFC to feedstock production, rather than to HFC production. The General Obligations contained in Article 2 of the Vienna Convention were sufficiently broad to practically compel Parties to control by-products such as HFC-23 from the production of ODS. He therefore called for: the adoption of guidelines requiring producing countries to capture and destroy HFC-23 as a condition for receiving funding for HCFC phase-out in the production sector; the provision of incremental funding and verification of HFC-23 destruction; and the preparation of summaries of draft phase-out plans, excluding confidential and proprietary information, outlining the key issues for observers.

#### **AGENDA ITEM 14: OTHER MATTERS**

**(a) Role of the Executive Committee in the administrative process relating to the selection of the Chief Officer**

124. The representative of the United States submitted a proposal for a draft decision relating to the process of selecting the new Chief Officer of the Multilateral Fund Secretariat. He explained that the purpose of the proposal was to ensure that the Executive Committee would be in a position to engage in the recruitment process in a timely manner and interface with United Nations procedures, as it had done in the past.

125. The Executive Committee decided:

- (a) To request the Secretariat to update the documentation relating to the recruitment process for the position of Chief Officer of the Multilateral Fund Secretariat and to provide it to the Executive Committee for consideration at its 68<sup>th</sup> meeting; and

- (b) To request the Secretariat also to make the necessary arrangements for the Executive Committee to undertake its usual recruitment procedure in relation to the position of Chief Officer of the Multilateral Fund Secretariat.

**(Decision 67/37)**

**(b) Presentation of a regional ODS destruction project in Africa**

126. The representative of Belgium introduced an information paper containing the concept for a regional ODS destruction project for African countries submitted by UNIDO (UNEP/OzL.Pro/ExCom/Inf.2). She acknowledged that the Committee had taken a decision that an ODS disposal project for the African region could be submitted to the 67<sup>th</sup> meeting as long as it fully met the guidelines for ODS disposal projects in decision 58/19. The current concept related to providing technical assistance and, while it might not fully meet the guidelines, it might be of benefit to other LVC countries.

127. The representative of UNIDO described the project, which involved the development of a strategy for disposal and destruction of unwanted ODS for six LVC countries in the African region. Members thanked UNIDO, and several expressed their support for the project concept and for the submission of a full proposal on the basis that it could provide a model and lessons learned, particularly for LVC countries. Others reiterated, however, that the current approach did not meet the guidelines for ODS disposal projects, and the document provided was only an information paper. Some members met informally to discuss the information paper and a way forward.

128. Following the discussion in the informal group the Executive Committee decided:

- (a) To note the information paper containing a project concept for a strategy for the disposal and destruction of ODS in six low-volume-consuming countries in the Central African region (UNEP/OzL.Pro/ExCom/67/Inf.2), submitted by UNIDO;
- (b) To allow UNIDO, on an exceptional basis and without setting a precedent for any further submissions, to submit a full proposal for a technical assistance project for the environmentally sound management of ODS waste for six countries in the Central African region at a level not exceeding US \$100,000, for consideration by the Executive Committee at its 68<sup>th</sup> meeting, while noting:
  - (i) That the Executive Committee recognized that this technical assistance project would not fall within the Executive Committee guidelines for ODS disposal projects (decision 58/19) and was allowed only in line with decision 66/25, by which a project for Africa had been agreed for submission; and
  - (ii) That no further projects of a similar nature for ODS disposal could be considered by the Executive Committee in future in line with decision 64/17.

**(Decision 67/38)**

**(c) Paper submitted to the GEF Council “Concept paper: GEF-5 Ozone, Climate and Chemicals Program” (GEF/C.42/09)**

129. The representative of Canada introduced a concept paper entitled “Concept paper: GEF-5 Ozone, Climate and Chemicals Program”, presented to the GEF Council at its 42<sup>nd</sup> meeting held from 5 to 7 June 2012. He mentioned that the paper proposed potential synergies among ozone, climate and chemical issues for GEF funding in developing countries. He considered that the paper was of significant interest to



Executive Committee members, and encouraged them to give it due consideration and to liaise with their GEF focal points on those issues. He mentioned that the paper would be further considered at the next GEF Council meeting and hoped that countries would provide inputs to their focal points for consideration. He also indicated that informal discussions between the GEF Secretariat and the Multilateral Fund Secretariat were currently ongoing.

130. In response to a question, the representative of the Secretariat explained that the GEF Secretariat had consulted with the Multilateral Fund Secretariat on the paper. She also mentioned that it had only been presented to the GEF Council meeting as an information note and further informed members that, while discussions were ongoing, they were still at an early stage. She also informed the Committee that the Chief Executive Officer of the GEF had recently sent a letter to the Chief Officer of the Multilateral Fund Secretariat expressing interest in further exploring the possibilities of collaboration between the two Secretariats.

131. One member suggested that it would be interesting to have internal discussions on carbon credits, while another expressed strong reservations on the paper, wondering why the GEF was involved in ozone-related matters, pointing out that addressing chemicals was a complex issue for which four other conventions already existed.

132. The Chair noted that there had been cooperation between the Multilateral Fund and the GEF since 1992, and asked that the members' comments be noted.

#### **AGENDA ITEM 15: ADOPTION OF THE REPORT**

133. The Executive Committee adopted its report on the basis of the draft report contained in document UNEP/OzL.Pro/ExCom/67/L.1.

#### **AGENDA ITEM 16: CLOSURE OF THE MEETING**

134. Following the customary exchange of courtesies, the Chair declared the meeting closed at 5.50 p.m. on Friday, 20 July 2012.

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## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 1 : STATUS OF THE FUND FROM 1991-2012 (IN US DOLLARS)

As at 13 July 2012

<b>INCOME</b>		
Contributions received:		
- Cash payments including note encashments		2,556,303,885
- Promissory notes held		23,247,949
- Bilateral cooperation		142,724,477
- Interest earned		206,551,470
- Additional income from loans and other sources		-
- Miscellaneous income		14,844,965
<b>Total Income</b>		<b>2,943,672,744</b>
<b>ALLOCATIONS* AND PROVISIONS</b>		
- UNDP	685,434,816	
- UNEP	217,093,237	
- UNIDO	705,109,884	
- World Bank	1,074,321,312	
Unspecified projects	-	
Less Adjustments	-	
<b>Total allocations to implementing agencies</b>		<b>2,681,959,249</b>
Secretariat and Executive Committee costs (1991-2011)		
- includes provision for staff contracts into 2014		92,067,525
Treasury fees (2003-2012)		4,550,550
Monitoring and Evaluation costs (1999-2012)		3,353,504
Technical Audit costs (1998-2010)		1,709,960
Information Strategy costs (2003-2004)		
- includes provision for Network maintenance costs for 2004		104,750
Bilateral cooperation		142,724,477
Provision for fixed-exchange-rate mechanism's fluctuations		
- losses/(gains) in value		(25,557,302)
<b>Total allocations and provisions</b>		<b>2,900,912,713</b>
Cash		<b>19,512,082</b>
<b>Promissory Notes:</b>		
	<b>2012</b>	11,584,191
	<b>2013</b>	8,145,886
	<b>2014</b>	3,517,872
		<b>23,247,949</b>
<b>BALANCE AVAILABLE FOR NEW ALLOCATIONS</b>		<b>42,760,031</b>

\* Amounts reflect net approvals for which resources are transferred including promissory notes that are not yet encashed by the Implementing Agencies. It reflects the Secretariat's inventory figures on the net approved amounts. These figures are under review in the on-going reconciliation exercise.

TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL  
**TABLE 2 : 1991 - 2012 SUMMARY STATUS OF CONTRIBUTIONS AND OTHER INCOME**  
BALANCE AVAILABLE FOR NEW ALLOCATIONS

As at 13 July 2012

Description	1991-1993	1994-1996	1997-1999	2000-2002	2003-2005	2006-2008	2009-2011	1991 - 2011	2012	1991 - 2012
Pledged contributions	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	399,640,706	2,814,006,785	131,538,756	2,945,545,541
Cash payments/received	206,363,053	381,555,255	412,907,966	407,967,672	417,558,808	339,810,017	352,255,378	2,518,418,150	37,885,735	2,556,303,885
Bilateral assistance	4,366,255	11,909,814	21,445,913	21,315,399	48,011,474	19,074,631	13,917,899	140,041,386	2,683,091	142,724,477
Promissory notes	0	0	0	0	0	(0)	13,884,041	13,884,041	9,363,908	23,247,949
Total payments	210,729,308	393,465,069	434,353,879	429,283,071	465,570,282	358,884,648	380,057,319	2,672,343,577	49,932,734	2,722,276,310
Disputed contributions	0	8,098,267	0	0	0	32,471,642	405,792	40,975,701	1,794,577	42,770,278
Outstanding pledges	24,199,933	31,376,278	38,213,130	10,716,930	8,429,718	9,143,832	19,583,388	141,663,208	81,606,023	223,269,231
Payments %age to pledges	89.70%	92.61%	91.91%	97.56%	98.22%	97.52%	95.10%	94.97%	37.96%	92.42%
Interest earned	5,323,644	28,525,733	44,685,516	53,946,601	19,374,449	43,537,814	10,544,631	205,938,388	613,082	206,551,470
						0	0	0	0	0
Miscellaneous income	1,442,103	1,297,366	1,223,598	1,125,282	1,386,177	3,377,184	3,547,653	13,399,363	1,445,601	14,844,965
<b>TOTAL INCOME</b>	<b>217,495,055</b>	<b>423,288,168</b>	<b>480,262,993</b>	<b>484,354,955</b>	<b>486,330,908</b>	<b>405,799,646</b>	<b>394,149,603</b>	<b>2,891,681,328</b>	<b>51,991,417</b>	<b>2,943,672,745</b>
<b>Accumulated figures</b>	<b>1991-1993</b>	<b>1994-1996</b>	<b>1997-1999</b>	<b>2000-2002</b>	<b>2003-2005</b>	<b>2006-2008</b>	<b>2009-2011</b>	<b>1991 - 2011</b>	<b>2012</b>	<b>1991 - 2012</b>
Total pledges	234,929,241	424,841,347	472,567,009	440,000,001	474,000,000	368,028,480	399,640,706	2,814,006,785	131,538,756	2,945,545,541
Total payments	210,729,308	393,465,069	434,353,879	429,283,071	465,570,282	358,884,648	380,057,319	2,672,343,577	49,932,734	2,722,276,310
Payments %age to pledges	89.70%	92.61%	91.91%	97.56%	98.22%	97.52%	95.10%	94.97%	37.96%	92.42%
Total income	217,495,055	423,288,168	480,262,993	484,354,955	486,330,908	405,799,646	394,149,603	2,891,681,328	51,991,417	2,943,672,745
Total outstanding contributions	24,199,933	31,376,278	38,213,130	10,716,930	8,429,718	9,143,832	19,583,388	141,663,208	81,606,023	223,269,231
As % to total pledges	10.30%	7.39%	8.09%	2.44%	1.78%	2.48%	4.90%	5.03%	62.04%	7.58%
Outstanding contributions for certain Countries with Economies in Transition (CEITs)	24,199,933	31,376,278	32,540,870	9,811,798	7,511,983	6,020,412	9,036,282	111,461,274	2,670,566	114,131,840
CEITs' outstandings %age to pledges	10.30%	7.39%	6.89%	2.23%	1.58%	1.64%	2.26%	3.96%	2.03%	3.87%

PS: CEITs are Azerbaijan, Belarus, Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Russian Federation, Slovakia, Slovenia, Tajikistan, Ukraine and Uzbekistan, including Turkmenistan up to 2004 as per decision XVI/39.

## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 3 : 1991-2012 Summary Status of Contributions

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions	Exchange (Gain)/Loss. NB: Negative amount = Gain
Andorra	46,670	46,633	0	0	37	0
Australia*	57,173,856	55,901,949	1,610,907	0	-339,000	385,547
Austria	31,268,377	30,619,263	131,790	0	517,324	-825,237
Azerbaijan	919,349	311,683	0	0	607,666	0
Belarus	2,829,087	0	0	0	2,829,087	0
Belgium	38,782,280	36,953,780	0	0	1,828,500	710,805
Bulgaria	1,314,585	1,314,585	0	0	0	0
Canada*	104,766,259	89,555,638	9,755,736	4,363,908	1,090,977	-4,199,014
Cyprus	636,089	557,846	0	0	78,243	0
Czech Republic	8,656,950	8,369,379	287,570	0	0	238,519
Denmark	25,618,339	25,457,286	161,053	0	0	-794,376
Estonia	338,900	338,900	0	0	0	14,575
Finland	20,107,179	19,708,020	399,158	0	0	-657,207
France	225,578,650	199,891,123	15,561,415	0	10,126,112	-14,729,230
Germany	326,999,442	249,932,859	51,105,008	13,884,042	12,077,533	-1,945,564
Greece	16,652,913	14,216,932	0	0	2,435,981	-1,517,252
Holy See	1,701	0	0	0	1,701	0
Hungary	5,804,558	4,760,499	46,494	0	997,564	-76,259
Iceland	1,178,991	1,143,416	0	0	35,575	50,524
Ireland	10,256,215	10,256,215	0	0	0	534,869
Israel	12,221,000	3,824,671	152,462	0	8,243,867	0
Italy	177,061,369	152,689,704	15,287,208	0	9,084,458	3,291,976
Japan	578,412,036	533,442,251	18,080,919	0	26,888,866	0
Kuwait	286,549	286,549	0	0	0	0
Latvia	544,605	479,969	0	0	64,636	-2,483
Liechtenstein	289,148	289,148	0	0	0	0
Lithuania	849,252	245,725	0	0	603,527	0
Luxembourg	2,640,056	2,640,056	0	0	0	-79,210
Malta	209,704	180,788	0	0	28,916	0
Monaco	192,777	192,777	0	0	0	-1,144
Netherlands	60,187,972	60,187,972	0	0	0	0
New Zealand	8,577,962	8,577,961	0	0	0	201,206
Norway	23,029,797	23,029,796	0	0	0	316,897
Panama	16,915	16,915	0	0	0	0
Poland	11,366,377	7,673,016	113,000	0	3,580,361	0
Portugal	13,789,863	11,191,959	101,700	0	2,496,204	198,162
Romania	741,125	741,125	0	0	0	0
Russian Federation	107,798,619	0	0	0	107,798,619	0
San Marino	16,837	11,734	0	0	5,103	0
Singapore	531,221	459,245	71,976	0	0	0
Slovak Republic	2,658,083	2,400,028	16,523	0	241,532	0
Slovenia	1,580,596	1,580,596	0	0	0	0
South Africa	3,793,691	3,763,691	30,000	0	0	0
Spain	89,648,253	77,184,335	4,077,763	0	8,386,155	-442,941
Sweden	39,463,839	37,775,466	1,688,374	0	0	-471,425
Switzerland	43,061,780	41,148,549	1,913,230	0	0	-2,132,315
Tajikistan	109,906	41,428	0	0	68,478	0
Turkmenistan**	293,245	5,764	0	0	287,481	0
Ukraine	9,365,670	1,155,769	0	0	8,209,901	0
United Arab Emirates	559,639	559,639	0	0	0	0
United Kingdom	201,328,761	200,763,762	565,000	0	0	-3,626,726
United States of America	675,280,892	634,238,886	21,567,191	5,000,000	14,474,815	0
Uzbekistan	707,613	188,606	0	0	519,007	0
SUB-TOTAL	2,945,545,541	2,556,303,885	142,724,477	23,247,949	223,269,230	-25,557,302
Disputed Contributions***	42,770,278	0	0	0	42,770,278	0
TOTAL	2,988,315,819	2,556,303,885	142,724,477	23,247,949	266,039,508	0

NB: (\*) The bilateral assistance recorded for Australia and Canada was adjusted following approvals at the 39<sup>th</sup> Meeting and taking into consideration a reconciliation carried out by the Secretariat through the progress reports submitted to the 40<sup>th</sup> Meeting to read US \$1,208,219 and US \$6,449,438 instead of US \$1,300,088 and US \$6,414,880 respectively.

(\*\*) In accordance with decisions VI/5 and XVI/39 of the Meeting of the Parties to the Montreal Protocol, Turkmenistan has been reclassified as operating under Article 5 in 2004 and therefore its contribution of US \$5,764 for 2005 should be disregarded.

(\*\*\*) Amounts for France, Germany, Italy, Japan and the United Kingdom netted off from the 1996 contributions and are shown here for records only. Amount for the United States of America netted off from the 2007 and 2008 contributions. Additional amount of US\$ 405,792 reflected from the USA 2010 contributions.

## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 4 : Status of Contributions for 2012

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	11,907	11,974			(67)
Australia	3,287,899	3,287,899			0
Austria	1,447,492	930,168			517,324
Azerbaijan	25,514				25,514
Belarus	71,439				71,439
Belgium	1,828,500				1,828,500
Bulgaria	64,635	64,635			0
Canada	5,454,884			4,363,908	1,090,977
Cyprus	78,243				78,243
Czech Republic	593,625	593,625			0
Denmark	1,251,885	1,251,885			0
Estonia	68,037	68,037			0
Finland	962,727	962,727			0
France	10,414,798		288,686		10,126,112
Germany	13,638,062		1,501,405		12,136,657
Greece	1,175,343				1,175,343
Holy See	1,701				1,701
Hungary	494,971				494,971
Iceland	71,439	35,864			35,575
Ireland	847,063	847,063			0
Israel	653,157				653,157
Italy	8,502,952	4,665,224			3,837,728
Japan	21,312,660				21,312,660
Latvia	64,635				64,635
Liechtenstein	15,308	15,308			0
Lithuania	110,560				110,560
Luxembourg	153,084	153,084			0
Malta	28,916				28,916
Monaco	5,103	5,103			0
Netherlands	3,155,226	3,155,226			0
New Zealand	464,354	464,354			0
Norway	1,481,511	1,481,511			0
Poland	1,408,371				1,408,371
Portugal	869,176				869,176
Romania	301,065	301,065			0
Russian Federation	2,724,891				2,724,891
San Marino	5,103				5,103
Slovak Republic	241,532				241,532
Slovenia	175,196	175,196			0
Spain	5,403,857		893,000		4,510,857
Sweden	1,809,790	1,809,790			0
Switzerland	1,922,052	1,922,052			0
Tajikistan	3,402				3,402
Ukraine	147,981				147,981
United Kingdom	11,232,946	11,232,946			0
United States of America*	27,538,756	4,451,000		5,000,000	18,087,756
Uzbekistan	17,009				17,009
<b>TOTAL</b>	<b>131,538,756</b>	<b>37,885,735</b>	<b>2,683,091</b>	<b>9,363,908</b>	<b>81,606,023</b>
Disputed Contributions(*)	1,794,577				1,794,577
<b>TOTAL</b>	<b>133,333,333</b>	<b>37,885,735</b>	<b>2,683,091</b>	<b>9,363,908</b>	<b>83,400,600</b>

(\*) Additional amount on Disputed contribution relating to the USA.

## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

**TABLE 5 : Summary Status of Contributions for 2009-2011**

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	34,764	34,660	0	0	104
Australia	8,678,133	8,678,133	339,000	0	(339,000)
Austria	4,307,501	4,307,501	0	0	0
Azerbaijan	24,281	0	0	0	24,281
Belarus	97,125	0	0	0	97,125
Belgium	5,351,596	5,351,596	0	0	0
Bulgaria	97,125	97,125	0	0	0
Canada	14,457,080	14,028,245	428,835	0	0
Cyprus	213,675	213,675	0	0	0
Czech Republic	1,364,608	1,143,128	221,480	0	0
Denmark	3,588,775	3,588,775	0	0	0
Estonia	77,700	77,700	0	0	0
Finland	2,738,929	2,738,929	0	0	0
France	30,599,281	29,539,244	1,060,037	0	0
Germany	41,652,124	19,437,658	8,330,424	13,884,041	1
Greece	2,894,330	1,633,692	0	0	1,260,637
Hungary	1,184,927	682,333	0	0	502,594
Iceland	179,682	179,682	0	0	0
Ireland	2,161,035	2,161,035	0	0	0
Israel	2,034,772	0	0	0	2,034,772
Italy	24,664,934	18,720,781	807,950	0	5,136,203
Japan	80,730,431	78,893,258	1,837,173	0	0
Latvia	87,413	87,413	0	0	0
Liechtenstein	48,563	48,563	0	0	0
Lithuania	150,544	0	0	0	150,544
Luxembourg	412,782	412,782	0	0	0
Malta	82,556	82,556	0	0	0
Monaco	14,569	14,569	0	0	0
Netherlands	9,095,771	9,095,771	0	0	0
New Zealand	1,243,202	1,243,202	0	0	0
Norway	3,797,594	3,797,594	0	0	0
Poland	2,432,985	260,995	0	0	2,171,990
Portugal	2,559,248	932,219	0	0	1,627,029
Romania	339,938	339,938	0	0	0
Russian Federation	5,827,509	0	0	0	5,827,509
San Marino	11,734	11,734	0	0	0
Slovak Republic	305,944	305,944	0	0	0
Slovenia	466,201	466,201	0	0	0
Spain	14,413,373	9,080,075	893,000	0	4,440,299
Sweden	5,201,052	5,201,052	0	0	0
Switzerland	5,905,210	5,905,210	0	0	0
Tajikistan	4,857	0	0	0	4,857
Ukraine	218,532	0	0	0	218,532
United Kingdom	32,255,265	32,255,265	0	0	0
United States of America	87,594,208	91,207,148	0	0	(3,612,940)
Uzbekistan	38,850	0	0	0	38,850
<b>SUB-TOTAL</b>	<b>399,640,706</b>	<b>352,255,378</b>	<b>13,917,899</b>	<b>13,884,041</b>	<b>19,583,388</b>
Disputed Contributions(*)	405,792	0	0	0	405,792
<b>TOTAL</b>	<b>400,046,498</b>	<b>352,255,378</b>	<b>13,917,899</b>	<b>13,884,041</b>	<b>19,989,180</b>

(\*) Additional amount on Disputed contribution relating to the USA.

## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

TABLE 6 : Status of Contributions for 2011

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,948	12,881			67
Australia	2,892,711	2,892,711	339,000		(339,000)
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865	1,783,865			0
Bulgaria	32,375	32,375			0
Canada	4,819,027	4,819,027			0
Cyprus	71,225	71,225			0
Czech Republic	454,869	415,319	39,550		0
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760	9,634,760	565,000		0
Germany	13,884,041	925,603	2,776,808	4,628,014	5,553,617
Greece	964,777				964,777
Hungary	394,976				394,976
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	5,455,623			2,766,022
Japan	26,910,144	26,440,498	469,646		0
Latvia	29,138	29,138			0
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519	27,519			0
Monaco	4,856	4,856			0
Netherlands	3,031,924	3,031,924			0
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995				810,995
Portugal	853,083				853,083
Romania	113,313	113,313			0
Russian Federation	1,942,503				1,942,503
San Marino	4,855	4,855			0
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458	929,159			3,875,299
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	29,333,333	32,946,274			(3,612,941)
Uzbekistan	12,950				12,950
<b>SUB-TOTAL</b>	<b>133,351,137</b>	<b>110,467,402</b>	<b>4,190,004</b>	<b>4,628,014</b>	<b>14,065,717</b>
		0	0	0	0
<b>TOTAL</b>	<b>133,351,137</b>	<b>110,467,402</b>	<b>4,190,004</b>	<b>4,628,014</b>	<b>14,065,717</b>

## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCO

**TABLE 7 : Status of Contributions for 2010**

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	12,948	12,911			37
Australia	2,892,711	2,892,711			0
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865	1,783,865			0
Bulgaria	32,375	32,375			0
Canada	4,819,027	4,489,632	329,395		0
Cyprus	71,225	71,225			0
Czech Republic	454,869	363,904	90,965		0
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760	9,907,090	207,355		85,315
Germany	13,884,041	6,942,021	2,776,808	6,942,021	(2,776,808)
Greece	964,777	668,916			295,861
Hungary	394,976	287,357			107,618
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	6,577,316	655,400		988,929
Japan	26,910,144	25,702,795	1,207,349		0
Latvia	29,138	29,138			0
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519	27,519			0
Monaco	4,856	4,856			0
Netherlands	3,031,924	3,031,923			0
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995				810,995
Portugal	853,083	79,137			773,946
Romania	113,313	113,313			0
Russian Federation	1,942,503				1,942,503
San Marino	4,855	4,855			0
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458	3,911,458	893,000		(0)
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	28,927,541	28,927,541			0
Uzbekistan	12,950				12,950
<b>SUB-TOTAL</b>	<b>132,945,345</b>	<b>116,758,335</b>	<b>6,160,272</b>	<b>6,942,021</b>	<b>3,084,717</b>
Disputed Contributions(*)	405,792	0	0	0	405,792
<b>TOTAL</b>	<b>133,351,137</b>	<b>116,758,335</b>	<b>6,160,272</b>	<b>6,942,021</b>	<b>3,490,509</b>

(\*) Additional amount on Disputed contribution relating to the USA.



## TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL

**TABLE 8 : Status of Contributions for 2009**

As at 13 July 2012

Party	Agreed Contributions	Cash Payments	Bilateral Assistance	Promissory Notes	Outstanding Contributions
Andorra	8,868	8,868			0
Australia	2,892,711	2,892,711			0
Austria	1,435,834	1,435,834			0
Azerbaijan	8,094				8,094
Belarus	32,375				32,375
Belgium	1,783,865	1,783,865			0
Bulgaria	32,375	32,375			0
Canada	4,819,027	4,719,586	99,440		0
Cyprus	71,225	71,225			0
Czech Republic	454,869	363,904	90,965		0
Denmark	1,196,258	1,196,258			0
Estonia	25,900	25,900			0
Finland	912,976	912,976			0
France	10,199,760	9,997,393	287,682		(85,315)
Germany	13,884,041	11,570,034	2,776,808	2,314,007	(2,776,808)
Greece	964,777	964,777			(0)
Hungary	394,976	394,976			(0)
Iceland	59,894	59,894			0
Ireland	720,345	720,345			0
Israel	678,257				678,257
Italy	8,221,645	6,687,842	152,550		1,381,252
Japan	26,910,144	26,749,966	160,178		0
Latvia	29,138	29,138			0
Liechtenstein	16,188	16,188			0
Lithuania	50,181				50,181
Luxembourg	137,594	137,594			0
Malta	27,519	27,519			0
Monaco	4,856	4,856			0
Netherlands	3,031,924	3,031,924			0
New Zealand	414,401	414,401			0
Norway	1,265,865	1,265,865			0
Poland	810,995	260,995			550,000
Portugal	853,083	853,082			0
Romania	113,313	113,313			0
Russian Federation	1,942,503				1,942,503
San Marino	2,023	2,023			0
Slovak Republic	101,981	101,981			0
Slovenia	155,400	155,400			0
Spain	4,804,458	4,239,458			565,000
Sweden	1,733,684	1,733,684			0
Switzerland	1,968,403	1,968,403			0
Tajikistan	1,619				1,619
Ukraine	72,844				72,844
United Kingdom	10,751,755	10,751,755			0
United States of America	29,333,333	29,333,333			0
Uzbekistan	12,950				12,950
<b>TOTAL</b>	<b>133,344,225</b>	<b>125,029,641</b>	<b>3,567,623</b>	<b>2,314,007</b>	<b>2,432,954</b>

Table 9: Status of Promissory Notes as at 13 July 2012

**MULTILATERAL FUND'S PROMISSORY NOTES**

Country	HELD BY			IMPLEMENTING AGENCY FOR WHICH HELD OR ASSIGNED TO					
	A WORLD BANK	B TREASURER	C= A+B TOTAL	D UNDP	E UNEP	F UNIDO	G WORLD BANK	H TREASURER	D+E+F+G+H=I I=C TOTAL
	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value	Net Value
Canada		4,363,908	4,363,908					4,363,908	4,363,908
France			0					0	0
Germany		13,884,041	13,884,041					13,884,041	13,884,041
The Netherlands			0					0	0
United Kingdom			0					0	0
United States of America		5,000,000	5,000,000					5,000,000	5,000,000
<b>TOTAL</b>	<b>0</b>	<b>23,247,949</b>	<b>23,247,949</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,247,949</b>	<b>23,247,949</b>

2004-2012 Ledger of Promissory Notes as at 13 July 2012  
Table 10 : SCHEDULE OF MULTILATERAL FUND PROMISSORY NOTES: 2004 - 2012

RECEIPTS													ENCASHMENTS		
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)			
25/10/2004	2004	Canada		Cans	6,216,532.80	3,963,867.12	09/11/2004	IBRD	6,216,532.80	19/01/2005	5,140,136.76	1,176,269.64			
21/04/2005	2005	Canada		Cans	6,216,532.78	3,963,867.12	Nov 2005	TREASURER	6,216,532.78	Nov 2005	5,307,831.95	1,343,984.93			
22/12/2006	2006	Canada		Cans	4,794,373.31	3,760,292.79	19/01/2007	TREASURER	4,794,373.31	19/01/2007	4,089,320.38	328,027.59			
27/06/2008	2008	Canada		Cans	4,794,373.31	3,760,292.79	19/09/2008	TREASURER	4,794,373.31	19/09/2008	4,492,899.74	732,606.95			
12/06/2009	2009	Canada		Cans	3,834,018.00	3,855,221.72	10/12/2009	TREASURER	3,834,018.00	10/12/2009	3,608,827.18	(246,394.52)			
28/05/2010	2010	Canada		Cans	3,834,018.00	3,855,221.72	06/10/2010	TREASURER	3,834,018.00	06/10/2010	3,759,578.35	(95,643.37)			
30/06/2011	2011	Canada		Cans	3,834,018.00	3,855,221.72	15/09/2011	TREASURER	3,855,221.72	15/09/2011	3,870,009.08	14,787.36			
29/06/2012	2012	Canada		Cans	4,277,502.19	4,363,907.56									
31/12/2004	2004	France		Euro	10,597,399.70	9,784,322.50	28/09/2006	TREASURER	10,597,399.70	28/09/2006	12,102,125.26	2,317,802.76			
18/01/2006	2005	France		Euro	11,217,315.23	10,356,675.50	28/09/2006	TREASURER	11,217,315.23	28/09/2006	12,810,062.64	2,453,387.14			
20/12/2006	2006	France		Euro	9,342,968.43	9,342,968.43	31/07/2007	TREASURER	7,503,239.54	31/07/2007	10,249,425.21	906,456.78			
Dec 2007	2007	France		Euro	7,483,781.61	9,287,393.43	16/09/2008	TREASURER	7,483,781.61	16/09/2008	10,629,963.40	1,342,569.97			
Dec 2008	2008	France		Euro	7,371,509.51	9,148,063.43	08/12/2009	TREASURER	7,371,509.51	08/12/2009	10,882,559.47	1,734,496.04			
Oct 2009	2009	France		Euro	6,568,287.40	9,997,393.30	06/10/2010	TREASURER	6,568,287.40	06/10/2010	8,961,114.64	(1,036,278.66)			
Oct 2010	2010	France		Euro	6,508,958.32	9,907,090.30	05/04/2011	TREASURER	6,508,958.32	05/04/2011	9,165,264.46	(741,825.84)			
Oct 2011	2011	France		Euro	6,330,037.52	9,634,760.30	25/10/2011	TREASURER	6,330,037.52	25/10/2011	8,750,643.84	(894,116.46)			
09/08/2004	2004	Germany	BU 104 1006 01	US\$	18,914,439.57	18,914,439.57	03/08/2005	TREASURER	6,304,813.19	03/08/2005	6,304,813.19	-			
							11/08/2006	TREASURER	6,304,813.19	11/08/2006	6,304,813.19	-			
							16/02/2007	TREASURER	3,152,406.60	16/02/2007	3,152,406.60	-			
							10/08/2007	TREASURER	3,152,406.60	10/08/2007	3,152,406.60	-			
									18,914,439.57						
08/07/2005	2005	Germany	BU 105 1003 01	US\$	7,565,775.83	7,565,775.83	18/04/2006	TREASURER	1,260,962.64	18/04/2006	1,260,962.64	-			
							11/08/2006	TREASURER	1,260,962.64	11/08/2006	1,260,962.64	-			
							16/02/2007	TREASURER	1,260,962.64	16/02/2007	1,260,962.64	-			
							10/08/2007	TREASURER	1,260,962.64	10/08/2007	1,260,962.64	-			
							12/02/2008	TREASURER	1,260,962.64	12/02/2008	1,260,962.64	-			
							12/08/2008	TREASURER	1,260,962.63	12/08/2008	1,260,962.64	-			
									7,565,775.83						
10/05/2006	2006	Germany	BU 106 1004 01	Euro	11,662,922.38	14,473,718.52	28/02/2007	TREASURER	1,943,820.40	28/02/2007	2,558,067.65	145,781.24			
							10/08/2007	TREASURER	1,943,820.40	10/08/2007	2,681,305.85	269,019.44			
							12/02/2008	TREASURER	1,943,820.40	12/02/2008	2,821,066.54	408,780.12			
							12/08/2008	TREASURER	1,943,820.40	12/08/2008	2,930,114.87	517,828.45			
							17/02/2009	TREASURER	1,943,820.40	17/02/2009	2,492,560.89	80,274.47			
							12/08/2009	TREASURER	1,943,820.38	12/08/2009	2,760,513.72	348,327.30			
									11,662,922.38						
23/07/2007	2007	Germany	BU 107 1006 01	Euro	11,662,922.38	14,473,718.52	12/02/2008	TREASURER	1,943,820.40	12/02/2008	2,821,066.54	408,780.12			
							12/08/2008	TREASURER	1,943,820.39	12/08/2008	2,930,114.87	517,828.46			
							17/02/2009	TREASURER	1,943,820.40	17/02/2009	2,492,560.89	80,274.47			
							12/08/2009	TREASURER	1,943,820.38	12/08/2009	2,760,513.72	348,327.30			
							11/02/2010	TREASURER	1,943,820.40	11/02/2010	3,173,312.85	787,056.23			
							10/08/2010	TREASURER	1,943,820.41	10/08/2010	2,561,178.36	148,891.93			
									11,662,922.38						
15/08/2008	2008	Germany	BU 108 1004 01	Euro	4,665,168.96	5,789,487.42	17/02/2009	TREASURER	777,528.16	17/02/2009	997,024.36	32,109.79			
							12/08/2009	TREASURER	777,528.16	12/08/2009	1,104,245.49	139,330.92			
							11/02/2010	TREASURER	777,528.16	11/02/2010	529,107.91	(435,806.66)			
							10/08/2010	TREASURER	777,528.16	10/08/2010	1,024,470.50	59,555.93			
							10/02/2011	TREASURER	777,528.16	10/02/2011	1,060,159.65	95,245.05			
							20/06/2011	TREASURER	777,528.16	20/06/2011	1,095,381.67	130,467.13			
									4,665,168.96						
18/12/2009	2009	Germany	BU 109 1007 01	Euro	9,121,815.12	13,884,041.00	11/02/2010	TREASURER	1,520,302.52	11/02/2010					
							10/08/2010	TREASURER	1,520,302.52	10/08/2010	2,003,150.60	(310,856.28)			
							10/02/2011	TREASURER	1,520,302.52	10/02/2011	2,072,932.49	(241,074.39)			
							20/06/2011	TREASURER	1,520,302.52	20/06/2011	2,141,802.19	(172,204.69)			
							03/02/2012	TREASURER	1,520,302.52	03/02/2012	2,002,998.57	(311,008.31)			
									<b>2,314,006.80</b>						
									<b>BALANCE</b>						
									1,520,302.52						
									9,121,815.12						
14/04/2010	2010	Germany	BU 110 1002 01	Euro	9,121,815.12	13,884,041.00	10/02/2011	TREASURER	1,520,302.52	10/02/2011	2,072,932.48	(241,074.40)			
							20/06/2011	TREASURER	1,520,302.52	20/06/2011	2,141,802.19	(172,204.69)			
							03/02/2012	TREASURER	1,520,302.52	03/02/2012	2,002,998.57	(311,008.31)			
									<b>6,942,020.36</b>						
									<b>BALANCE</b>						
									4,560,907.56						
									9,121,815.12						
27/04/2011	2011	Germany	BU 111 1001 01	Euro	3,648,726.05	5,553,816.51	03/02/2012	TREASURER	608,121.01	03/02/2012	801,199.43	(124,403.32)			
									<b>4,628,013.76</b>						
									<b>BALANCE</b>						
									3,040,605.04						
									3,648,726.05						
08/12/2003	2004	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	17/11/2004	TREASURER	3,364,061.32	17/11/2004	3,364,061.32	-			
08/12/2003	2005	Netherlands	D 11	US\$	3,364,061.32	3,364,061.32	05/12/2005	TREASURER	3,364,061.32	05/12/2005	3,364,061.32	-			

Table 10 : SCHEDULE OF MULTILATERAL FUND PROMISSORY NOTES: 2004 - 2012

RECEIPTS													ENCASHMENTS		
Date of Submission a/	Year of contribution	Country of Origin	P/Note code	Denomination/ Type of currency	Amount (in Original denomination)	Note Value in USD per UNEP	Date of transfer	Agency	Transfer amount in Original denomination	Date of Encashment	Actual Encashment value (USD)	Gain/(Loss) to intended value (USD)			
18/05/2004	2004	UK		GBP	7,243,564.08	10,718,502.63									
						1,786,417.11	23/08/2005	TREASURER	1,207,260.68	23/08/2005	2,166,550.02	380,132.91			
						5,359,251.32	Feb. 2006	TREASURER	3,621,782.04	Feb. 2006	6,303,711.64	944,460.32			
						3,572,834.20	24/07/2006	TREASURER	3,621,782.04	24/07/2006	4,473,383.73	900,549.53			
						10,718,502.63			7,243,564.08		12,943,645.39	2,225,142.76			
01/06/2005	2005	UK		GBP	7,243,564.08	10,718,502.63									
						1,786,417.11	24/07/2006	TREASURER	1,207,260.68	24/07/2006	2,236,691.86	450,274.75			
						4,681,386.55	09/08/2006	TREASURER	3,163,681.03	09/08/2006	6,036,303.40	1,354,916.85			
						4,250,698.97	16/08/2006	TREASURER	2,872,622.37	16/08/2006	5,429,236.28	1,178,537.31			
						10,718,502.63			7,243,564.08		13,702,231.54	2,983,728.91			
13/05/2005	2004	USA		US\$	4,920,000.00	4,920,000.00	27/10/2005	TREASURER	2,000,000.00	27/10/2005	2,000,000.00	-			
							02/11/2006	TREASURER	2,000,000.00	02/11/2006	2,000,000.00	-			
							25/10/2007	TREASURER	920,000.00	25/10/2007	920,000.00	-			
									4,920,000.00						
01/03/2006	2005	USA		US\$	3,159,700.00	3,159,700.00	02/11/2006	TREASURER	2,000,000.00	02/11/2006	2,000,000.00	-			
							25/10/2007	TREASURER	1,159,700.00	25/10/2007	1,159,700.00	-			
									3,159,700.00						
25/04/2007	2006	USA		US\$	7,315,000.00	7,315,000.00	25/10/2007	TREASURER	2,500,000.00	25/10/2007	2,500,000.00	-			
							19/11/2008	TREASURER	2,500,000.00	19/11/2008	2,500,000.00	-			
							11/05/2009	TREASURER	2,315,000.00	11/05/2009	2,315,000.00	-			
									7,315,000.00						
21/02/2008	2008	USA		US\$	4,683,000.00	4,683,000.00	19/11/2008	TREASURER	2,341,500.00	19/11/2008	2,341,500.00	-			
							11/05/2009	TREASURER	2,341,500.00	11/05/2009	2,341,500.00	-			
									4,683,000.00						
21/04/2009	2009	USA		US\$	5,697,000.00	5,697,000.00									
							11/05/2009	TREASURER	1,900,000.00	11/05/2009	1,900,000.00	-			
							04/11/2010	TREASURER	1,900,000.00	04/11/2010	1,900,000.00	-			
							03/11/2011	TREASURER	1,897,000.00	03/11/2011	1,897,000.00	-			

**TRUST FUND FOR THE MULTILATERAL FUND FOR THE IMPLEMENTA****Table 11: OUTSTANDING PROMISSORY NOTES SCHEDULE OF ENCASHMENT  
(IN US\$)**

	<b>Due in 2012</b>	<b>Due in 2013</b>	<b>Due in 2014</b>
<b><u>CANADA</u></b>	4,363,908		
<b><u>GERMANY:</u></b>			
2009	2,314,008		
2010	2,314,006	4,628,013	
2011	925,602	1,851,206	1,851,206
<b><u>USA</u></b>			
2012	1,666,667		
2013		1,666,667	
2014			1,666,666
	<b>11,584,191</b>	<b>8,145,886</b>	<b>3,517,872</b>

**NOTE:**

Request has been sent to the Bank of Canada for the encashment of the Canadian promissory notes due are payable in February and August of the relevant years.  
 Germany's promissory notes due are payable in February and August of the relevant years.  
 USA's promissory notes due are payable in November of the relevant years.

**LIST OF COUNTRIES WHICH AS AT 13 JULY 2012 HAVE EITHER CONFIRMED TO  
THE TREASURER IN WRITING THAT THEY WOULD BE USING THE FIXED-  
EXCHANGE-RATE MECHANISM DURING  
THE 2012 – 2014 REPLENISHMENT PERIOD OR PAID IN NATIONAL CURRENCIES  
WITHOUT FORMALLY WRITING TO THE TREASURER**

1. Australia
2. Austria
3. Canada
4. Czech Republic
5. Denmark
6. Estonia
7. Finland
8. France
9. Germany
10. Iceland
11. Ireland
12. Monaco
13. New Zealand
14. Norway
15. Sweden
16. Switzerland
17. United Kingdom

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## Annex II

## PROJECTS THAT ARE CLASSIFIED AS “SOME PROGRESS”

Agency	Code	Project Title
IBRD	ARG/REF/18/INV/39	Elimination of CFC in the manufacturing plant of domestic refrigerators of Neba, S.A.
IBRD	CPR/ARS/51/INV/447	Phase-out of CFC consumption in the pharmaceutical aerosol sector (2007-2008 biennial programme)
Spain	LAC/FUM/54/TAS/40	Technical assistance to introduce chemical alternatives in countries which have rescheduled methyl bromide phase out plan (Argentina and Uruguay)
UNDP	AFR/FUM/38/TAS/32	Technical assistance for methyl bromide reductions and formulation of regional phase-out strategies for low-volume consuming countries
UNDP	BGD/ARS/52/INV/26	Phase-out of CFC consumption in the manufacture of aerosol MDIs (Beximco, Square Pharmaceutical and Acme Pharmaceutical)
UNDP	CHI/REF/48/INV/160	Terminal umbrella project for phase-out of the use of CFC-11, CFC-12 and R-502 (CFC-115) in the manufacture of refrigeration equipment
UNDP	PAK/ARS/56/INV/71	Plan for phase-out of CFCs in the manufacture of pharmaceutical MDIs
UNEP	GLO/REF/48/TAS/275	Global technical assistance programme in the chiller sector
UNIDO	ALG/REF/44/INV/62	Conversion of CFC-11 to HCFC-141b and CFC-12 to HFC-134a technology in the last group of commercial refrigerator manufactures (refrigeration sector terminal project)
UNIDO	ARG/SOL/41/INV/137	Plan for phase-out of ODS in the solvent sector
UNIDO	EGY/ARS/50/INV/92	Phase-out of CFC consumption in the manufacture of aerosol metered dose inhalers (MDIs)
UNIDO	KEN/SOL/57/TAS/47	Technical assistance for the total phase-out of CTC and TCA in the solvent sector
UNIDO	SYR/FUM/49/TAS/95	Methyl bromide national phase-out plan (soil fumigation)

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## Annex III

## PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS WERE REQUESTED

Agency	Code	Project Title	Reasons
France	AFR/SEV/53/TAS/39	African customs enforcement networks for preventing illegal trade of ODS in the African sub-regional trade organizations (CEMAC, COMESA, SACU and UEMOA)	To request a milestone for achievement between the 68 <sup>th</sup> meeting and the 69 <sup>th</sup> meeting or consideration of possible cancellation of this project.
IBRD	ARG/FUM/29/DEM/93	Demonstration project for testing methyl bromide alternatives in post-harvest disinfestation for cotton and citrus (phase I)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the preparation of the report on unused funds and the final report for project closing.
IBRD	ARG/PHA/47/INV/148	National CFC phase-out plan: 2006 work programme	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the signature of the agreements for the three remaining companies.
IBRD	IDS/DES/57/PRP/187	Preparation for pilot demonstration project on ODS waste management and disposal	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the status of completion of the report on ODS destruction if not submitted at the 68 <sup>th</sup> meeting.
IBRD	PHI/DES/57/PRP/85	Preparation for pilot demonstration project on ODS waste management and disposal	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the status of completion of the report on ODS destruction if not submitted at the 68 <sup>th</sup> meeting.
UNDP	BRA/DES/57/PRP/288	Preparation for pilot demonstration project on ODS waste management and disposal	To request the submission of additional status report on activities since the 67 <sup>th</sup> meeting on project preparation since the project is not expected to be submitted until 2013.
UNDP	IND/DES/61/PRP/437	Preparation of a project for demonstration of a sustainable technological, financial and management model for disposal of ODS	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the project preparation.
UNEP	ANT/SEV/44/INS/11	Extension of institutional strengthening project (phase III)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor this institutional strengthening project for which the financial and progress reports was outstanding.
UNEP	BAH/SEV/60/INS/24	Extension of institutional strengthening project (phase VI)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor this institutional strengthening project for which the financial and progress reports was outstanding.
UNEP	BEN/SEV/62/INS/24	Renewal of institutional strengthening project (phase VII)	To request the submission of additional status report to the 68 <sup>th</sup> meeting on project document signature for institutional strengthening.



Agency	Code	Project Title	Reasons
UNEP	IRQ/SEV/57/INS/05	Institutional strengthening (phase I)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor this institutional strengthening project for which the financial and progress reports was outstanding.
UNEP	MAU/SEV/49/INS/17	Renewal of institutional strengthening project (phase IV)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor this institutional strengthening project for which the financial and progress reports was outstanding.
UNEP	MOR/SEV/59/INS/63	Renewal of the institutional strengthening project (phase IV)	To request the submission of additional status report to the 68 <sup>th</sup> meeting on project document signature for institutional strengthening.
UNIDO	AFR/REF/48/DEM/37	Strategic demonstration project for accelerated conversion of CFC chillers in 5 African Countries (Cameroon, Egypt, Namibia, Nigeria and Sudan)	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the completion of the agreement with Nigerian bank of Industry.
UNIDO	ETH/FUM/54/PRP/18	Project preparation in the fumigant sector (flowers)	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the project preparation in case the project is not submitted at the 68 <sup>th</sup> meeting
UNIDO	IND/PHA/45/INV/385	CTC phase-out plan for the consumption and production sectors: 2005 annual programme	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the selection of a supplier of the equipment for the project.
UNIDO	IND/PHA/49/INV/402	CTC phase-out plan for the consumption and production sectors: 2006 annual programme	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the selection of a supplier of the equipment for the project.
UNIDO	LEB/DES/61/PRP/72	Preparation for pilot demonstration project on ODS waste management and disposal	To request the submission of additional status report to the 68 <sup>th</sup> meeting on the status of completion of the report on ODS destruction if not submitted at the 68 <sup>th</sup> meeting.
UNIDO	QAT/SEV/59/INS/15	Renewal of institutional strengthening project (phase III)	To request the submission of additional status report to the 68 <sup>th</sup> meeting on project document signature for institutional strengthening.
UNIDO	SYR/REF/62/INV/103	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	To request the submission of additional status report to the 68 <sup>th</sup> meeting on project progress.
UNIDO	TKM/PHA/62/INV/08	HCFC phase-out management plan (stage I, first tranche)	To request the submission of additional status report to the 68 <sup>th</sup> meeting on project progress.

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**Annex IV**

**PROJECTS FOR WHICH ADDITIONAL STATUS REPORTS WERE REQUESTED FOR HPMP DEVELOPMENT**

<b>Agency</b>	<b>Code</b>	<b>Project Title</b>	<b>Reasons</b>
UNDP	PER/PHA/55/PRP/40	Preparation of a HCFC phase-out management plan in Peru	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the submission of the HPMP if HPMP not submitted to the 68 <sup>th</sup> meeting
UNEP	BAR/PHA/55/PRP/18	Preparation of a HCFC phase-out management plan in Barbados	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the submission of the HPMP if HPMP not submitted to the 68 <sup>th</sup> meeting
UNEP	HAI/PHA/57/PRP/13	Preparation of a HCFC phase-out management plan in Haiti	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the submission of the HPMP if HPMP not submitted to the 68 <sup>th</sup> meeting
UNEP	MAU/PHA/55/PRP/20	Preparation of a HCFC phase-out management plan in Mauritania	To request the submission of additional status report to the 68 <sup>th</sup> meeting in order to monitor the submission of the HPMP if HPMP not submitted to the 68 <sup>th</sup> meeting

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Annex V

**PROJECTS WITH SPECIFIC REPORTING REQUIREMENTS**

Agency	Code	Project Title	Secretariat Assessment
Japan	COL/FOA/60/DEM/75	Pilot Supercritical CO2 in spray foam	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 68 <sup>th</sup> meeting based on the anticipated completion date of the project with an explanation for the reason for the delay, what is expected to be completed, and when the report will be submitted.
Japan	PHI/FOA/62/INV/91	Sector plan for the phase-out of HCFC-141b in the foam sector	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting based on the anticipated completion date of the project.
Japan	SAU/FOA/62/INV/12	Phase-out of HCFC-22 and HCFC-142b in the manufacturing of XPS foams at Al Watania Plastics and Arabian Chemical Company	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting based on the anticipated completion date of the project.
Japan	SAU/FOA/62/INV/14	Phase-out of HCFC-22 and HCFC-142b in the manufacturing of XPS foams at Al Watania Plastics and Arabian Chemical Company	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting based on the anticipated completion date of the project.
UNDP	BGD/FOA/62/INV/38	Phase-out of HCFC-141b at Walton Hi-Tech Ind. Ltd.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including status report on the analysis/compare of the estimated and actual costs of equipment items as presented in the proposal (decision 55/43(d)).
UNDP	BRA/PHA/50/INV/278	National CFC phase-out plan	To report progress on the implementation of the NPP to the 68 <sup>th</sup> meeting and submit project completion report when NPP completed.
UNDP	BRA/PHA/53/INV/280	National CFC phase-out plan	To report progress on the implementation of the NPP to the 68 <sup>th</sup> meeting and submit project completion report when NPP completed.
UNDP	BRA/PHA/56/INV/284	National CFC phase-out plan	To report progress on the implementation of the NPP to the 68 <sup>th</sup> meeting and submit project completion report when NPP completed.
UNDP	BRA/PHA/59/INV/293	National CFC phase-out plan	To report progress on the implementation of the NPP to the 68 <sup>th</sup> meeting and submit project completion report when NPP completed.

Agency	Code	Project Title	Secretariat Assessment
UNDP	COL/FOA/60/INV/76	Phase-out of HCFCs to hydrocarbons at Mabe Colombia, Industrias Haceb, Challenger and Indusel S.A.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including status report on the analysis and compare the estimated and actual costs of equipment items as presented in the proposal (decision 55/43(d)).
UNDP	CPR/REF/60/DEM/498	Phase-out of HCFC-22 in the commercial air-source chillers/heat pumps at Tsinghua Tong Fang Co.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNDP	CPR/REF/60/DEM/499	Phase-out of HCFC-22 in the manufacture of two stage refrigeration systems at Yantai Moon Group Co. Ltd.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNDP	EGY/FOA/62/INV/105	Conversion from HCFC-141b to n-pentane in the manufacture of polyurethane rigid insulation foam panels at MOG for Engineering and Industry	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNDP	EGY/FOA/62/INV/106	Conversion from HCFC-141b to methyl formate in the manufacture of polyurethane rigid insulation foam for water heaters at Fresh Electric for Home Appliances	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNDP	EGY/FOA/62/INV/107	Conversion from HCFC-141b to methyl formate in the manufacture of polyurethane spray foams at Specialized Engineering Contracting Co.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNDP	EGY/FOA/62/INV/108	Conversion from HCFC-141b to n-pentane in the manufacture of polyurethane rigid insulation foam panels at Cairo Foam	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNDP	MEX/FOA/59/INV/148	Phase-out HCFC-141b at Mabe Mexico	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNDP	Not in Database	HCFC demonstration and investment projects	Supplementary report to be submitted to the 68 <sup>th</sup> meeting.

Agency	Code	Project Title	Secretariat Assessment
UNIDO	ALG/FOA/62/INV/75	Phase-out of HCFC-141b at Cristor (domestic refrigeration foam)	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNIDO	ARG/REF/61/INV/164	Phase-out of HCFC-22 in the RAC manufacturing sector	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNIDO	CPR/REF/61/DEM/503	Phase-out of HCFC-22 in the manufacturing of RACs at Midea and conversion of RAC compressors at Meizhi	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNIDO	CPR/REF/61/DEM/502	Phase-out of HCFC-22 in the manufacturing of RACs at Midea and conversion of RAC compressors at Meizhi	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNIDO	EGY/FOA/62/INV/104	Phase-out of HCFC-141b from manufacturing of polyurethane foam at Mondial Freezers Company	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNIDO	EGY/FOA/62/INV/110	Phase-out of HCFC-141b from manufacturing of polyurethane foam at El-Araby Co. for Engineering Industries	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including information on dates when the equipment will be installed and HCFCs phased-out.
UNIDO	JOR/REF/60/INV/86	Phase-out of HCFC-22 and HCFC-141b at Petra Co.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNIDO	MOR/FOA/62/INV/67	Phase-out of HCFC-141b at Manar (domestic refrigeration foam)	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.
UNIDO	PAK/FOA/60/INV/77	Phase-out of HCFC-141b in the manufacture of PU foams at United Refrigeration, HNR, Varioline Intercool, Shadman Electronics and Dawlance	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.
UNIDO	PHI/FOA/62/INV/90	Sector plan for the phase-out of HCFC-141b in the foam sector	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.

Agency	Code	Project Title	Secretariat Assessment
UNIDO	SAU/FOA/62/INV/11	Phase-out of HCFC-22 and HCFC-142b in the manufacturing of XPS foams at Arabian Chemical Company	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.
UNIDO	SAU/FOA/62/INV/13	Phase-out of HCFC-22 and HCFC-142b in the manufacturing of XPS foams at Al Watania Plastics	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.
UNIDO	SUD/FOA/62/INV/28	Phase-out of HCFC-141b in the manufacture of PU foams at Modern, Amin, Coldair and Akabadi	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.
UNIDO	SYR/REF/62/INV/103	Phase-out of HCFC-22 and HCFC-141b at Al Hafez Co.	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting.
UNIDO	TUR/FOA/62/INV/97	Phase-out of HCFC-141b in the PU foam sector and phase-out of HCFC-22 and HCFC-142b in the XPS foam sector	Additional report on individual HCFC demonstration and investment projects approval clause to report on ICC, IOC and technology application in line with decision 55/43 (b) for submission to the 69 <sup>th</sup> meeting including dates when the equipment will be installed and HCFCs phased-out.

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**Annex VI**

**MAXIMIZING THE CLIMATE BENEFITS FROM THE PHASE-OUT OF HCFCs IN THE  
REFRIGERATION SERVICING SECTOR  
(Proposed draft recommendation by the Convenor of the Contact Group)**

The Executive Committee decided:

- (a) To encourage Article 5 countries with approved HCFC phase-out management plans (HPMPs) that addressed HCFC reductions up to and beyond 2020 in the refrigeration servicing sector to take into account climate-related impacts during implementation of their HPMPs by:
  - (i) Prioritizing approved HPMP activities that promoted the reduction of refrigerant emissions (such as training of technicians, good service practice, containment of emissions and recovery/reuse) and/or retrofitting/replacement of HCFC-based equipment to lower global warming potential (GWP) energy efficient alternatives, when such alternatives were commercially available and cost-effective in their countries;
  - (ii) Minimizing, to the extent possible, replacement or retrofitting of HCFC-based equipment to higher GWP alternatives;
  - (iii) Giving due consideration, within the limits of approved funding, to facilitating the introduction of energy efficient technologies based on non-HCFC and low-GWP refrigerants by:
    - a. Fostering a dialogue among regulatory authorities and key stakeholders addressing ozone, climate, and energy efficiency issues at the country level;
    - b. Identifying technical and economic barriers to the use of those alternative technologies, including implications for training and servicing practices; and
    - c. Developing policies and/or codes and standards to promote the introduction and sustainability of those alternative technologies;
- (b) To encourage other Article 5 countries to consider the issues mentioned in paragraph (a) above when developing stage I and/or stage II of their HPMPs; and
- (c) To request the Secretariat, in consultation with bilateral and implementing agencies, to prepare a discussion document for submission to the 70<sup>th</sup> meeting outlining key issues and considerations involved in further promoting strategies, approaches and technologies to maximize the climate benefits of HCFC phase-out in the refrigeration servicing sector in the context of decision XIX/6 of the Nineteenth Meeting of the Parties.

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# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>BOLIVIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase VIII: 8/2012-7/2014)	UNEP		\$78,867	\$0	\$78,867	
<b>Total for Bolivia</b>			<b>\$78,867</b>		<b>\$78,867</b>	
<b>BRUNEI DARUSSALAM</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase III: 1/2013-12/2014)	UNEP		\$70,000	\$0	\$70,000	
<b>Total for Brunei Darussalam</b>			<b>\$70,000</b>		<b>\$70,000</b>	
<b>CHINA</b>						
<b>FUMIGANT</b>						
<b>Methyl bromide</b>						
National phase-out of methyl bromide (phase II, seventh tranche)	UNIDO	50.0	\$500,000	\$37,500	\$537,500	
<i>The 2012 annual implementation programme associated with the 7th tranche was approved.</i>						
<b>DESTRUCTION</b>						
<b>Demonstration</b>						
Pilot demonstration project on ODS waste management and disposal	UNIDO		\$1,227,885	\$85,952	\$1,313,837	11.45
<i>Approved on the understanding that no further funds would be available for China for any ODS disposal projects in future in the absence of a new relevant decision by the Meeting of the Parties.</i>						
Pilot demonstration project on ODS waste management and disposal	Japan		\$900,000	\$109,000	\$1,009,000	11.45
<i>Approved on the understanding that no further funds would be available for China for any ODS disposal projects in future in the absence of a new relevant decision by the Meeting of the Parties.</i>						
<b>Total for China</b>		<b>50.0</b>	<b>\$2,627,885</b>	<b>\$232,452</b>	<b>\$2,860,337</b>	
<b>COOK ISLANDS</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV: 1/2013-12/2014)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Cook Islands</b>			<b>\$60,000</b>		<b>\$60,000</b>	



# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>EGYPT</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase IX: 1/2013-12/2014)	UNIDO		\$228,323	\$15,983	\$244,306
	<b>Total for Egypt</b>		<b>\$228,323</b>	<b>\$15,983</b>	<b>\$244,306</b>
<b>ERITREA</b>					
<b>PHASE-OUT PLAN</b>					
<b>HCFC phase out plan</b>					
HCFC phase-out management plan (stage I, first tranche)	UNEP		\$40,000	\$5,200	\$45,200
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 0.1 ODP tonnes, calculated using consumption of 0.1 ODP tonnes reported each for 2009 and 2010. UNEP, UNIDO and the Government were requested to deduct 0.03 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for Eritrea is amended based on revised Article 7 data, to update Appendix 2 A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted.</i>					
HCFC phase-out management plan (stage I, first tranche)	UNIDO		\$40,000	\$3,600	\$43,600
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 0.1 ODP tonnes, calculated using consumption of 0.1 ODP tonnes reported each for 2009 and 2010. UNEP, UNIDO and the Government were requested to deduct 0.03 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for Eritrea is amended based on revised Article 7 data, to update Appendix 2 A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted.</i>					
	<b>Total for Eritrea</b>		<b>\$80,000</b>	<b>\$8,800</b>	<b>\$88,800</b>

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>FIJI</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VIII: 12/2012-11/2014)	UNEP		\$60,000	\$0	\$60,000	
	<b>Total for Fiji</b>		<b>\$60,000</b>		<b>\$60,000</b>	
<b>GAMBIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII: 8/2012-7/2014)	UNEP		\$60,000	\$0	\$60,000	
	<b>Total for Gambia</b>		<b>\$60,000</b>		<b>\$60,000</b>	
<b>GHANA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage I, second tranche)	Italy		\$60,000	\$7,800	\$67,800	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption is 57.3 ODP tonnes, calculated using actual consumption of 77.3 ODP tonnes and 37.2 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol.</i>						
HCFC phase-out management plan (stage I, second tranche)	UNDP		\$200,000	\$15,000	\$215,000	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption is 57.3 ODP tonnes, calculated using actual consumption of 77.3 ODP tonnes and 37.2 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol.</i>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase X: 1/2013-12/2014)	UNDP		\$139,100	\$9,737	\$148,837	
	<b>Total for Ghana</b>		<b>\$399,100</b>	<b>\$32,537</b>	<b>\$431,637</b>	
<b>GRENADA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV: 8/2012-7/2014)	UNEP		\$60,000	\$0	\$60,000	
	<b>Total for Grenada</b>		<b>\$60,000</b>		<b>\$60,000</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>GUINEA-BISSAU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase III: 7/2102-6/2014)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Guinea-Bissau</b>			<b>\$60,000</b>		<b>\$60,000</b>	
<b>INDIA</b>						
<b>PRODUCTION</b>						
<b>CFC closure</b>						
Accelerated CFC production phase-out (second tranche) <i>Approved 70% of the funding request for the second and final tranche on the understanding that the remaining amount for the tranche (US\$317,000, plus agency support costs of US\$24,032), would be approved once the contaminated CFCs had been destroyed.</i>	IBRD		\$739,900	\$213,968	\$953,868	
<b>Total for India</b>			<b>\$739,900</b>	<b>\$213,968</b>	<b>\$953,868</b>	
<b>IRAN</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IX: 1/2013-12/2014)	UNDP		\$173,511	\$12,146	\$185,657	
<b>Total for Iran</b>			<b>\$173,511</b>	<b>\$12,146</b>	<b>\$185,657</b>	
<b>LAO, PDR</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of the institutional strengthening project (phase VI: 12/2012-11/2014)	UNEP		\$60,000	\$0	\$60,000	
<b>Total for Lao, PDR</b>			<b>\$60,000</b>		<b>\$60,000</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>MACEDONIA, FYR</b>						
<b>FOAM</b>						
<b>Rigid</b>						
HCFC phase-out management plan (phase I, third tranche) (conversion from HCFC-141b to HFCs in the manufacture of polyurethane foam for the commercial refrigeration units, sandwich panels and insulated doors)	UNIDO	1.6	\$136,955	\$10,272	\$147,227	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; that the revised starting point for sustained aggregate reduction in HCFC consumption was 3.35 ODP tonnes, calculated using actual consumption of 4.0 ODP tonnes and 1.3 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, plus the use of HCFC-141b of 0.65 ODP tonnes contained in imported pre-blended polyols not reported under Article 7 in eligible enterprises; and that the funding for the phase-out of the use of HCFC-141b in pre-blended polyols was included in the third tranche according to decision 60/38(g)(i). Noted the commitment of the Government to ban imports of HCFC-141b, both pure and contained in pre blended polyols, as soon as the last foam manufacturing plant had been converted to non-HCFC technology, scheduled for the year 2015.</i>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (phase I, third tranche)	UNIDO		\$158,000	\$11,850	\$169,850	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; that the revised starting point for sustained aggregate reduction in HCFC consumption was 3.35 ODP tonnes, calculated using actual consumption of 4.0 ODP tonnes and 1.3 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, plus the use of HCFC-141b of 0.65 ODP tonnes contained in imported pre-blended polyols not reported under Article 7 in eligible enterprises; and that the funding for the phase-out of the use of HCFC-141b in pre-blended polyols was included in the third tranche according to decision 60/38(g)(i). Noted the commitment of the Government to ban imports of HCFC-141b, both pure and contained in pre blended polyols, as soon as the last foam manufacturing plant had been converted to non-HCFC technology, scheduled for the year 2015.</i>						
<b>Total for Macedonia, FYR</b>		<b>1.6</b>	<b>\$294,955</b>	<b>\$22,122</b>	<b>\$317,077</b>	
<b>MADAGASCAR</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase V: 7/2012-6/2014)	UNEP		\$60,700	\$0	\$60,700	
<b>Total for Madagascar</b>			<b>\$60,700</b>		<b>\$60,700</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>MALDIVES</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII: 12/2012-11/2014)	UNEP		\$60,000	\$0	\$60,000	
			<b>\$60,000</b>		<b>\$60,000</b>	
<b>MICRONESIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Renewal of institutional strengthening project (phase IV: 1/2013-12/2014)	UNEP		\$60,000	\$0	\$60,000	
			<b>\$60,000</b>		<b>\$60,000</b>	
<b>MOLDOVA, REP</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII: 7/2012-6/2014)	UNEP		\$69,334	\$0	\$69,334	
			<b>\$69,334</b>		<b>\$69,334</b>	
<b>NAURU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase IV: 8/2012-7/2014)	UNEP		\$60,000	\$0	\$60,000	
			<b>\$60,000</b>		<b>\$60,000</b>	
<b>NEPAL</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase VII: 12/2012-11/2014)	UNEP		\$60,000	\$0	\$60,000	
			<b>\$60,000</b>		<b>\$60,000</b>	

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>NIGERIA</b>						
<b>DESTRUCTION</b>						
<b>Demonstration</b>						
Demonstration project for disposal of unwanted ODS	UNIDO		\$911,724	\$63,821	\$975,545	10.85
<i>Approved on the understanding that no further funds would be available for Nigeria for any ODS disposal projects in future; any marketing of greenhouse gas (GHG) emission reductions generated by or associated with the project would be subject to a decision by the Executive Committee. Noted the commitment of the Government to use any income from the marketing of greenhouse gas (GHG) emission reductions generated by or associated with the project for the establishment of an appliance replacement programme in the country to sustain ODS the recovery and collection system. The Government was requested, through UNIDO, to establish a monitoring system for the operation and the activities associated with the ODS disposal demonstration project, and UNIDO was requested to report thereon to the Executive Committee at the completion of the project in 2014, ensuring that no marketing of GHG emission reductions had taken place.</i>						
<b>Total for Nigeria</b>			<b>\$911,724</b>	<b>\$63,821</b>	<b>\$975,545</b>	
<b>SAUDI ARABIA</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of the institutional strengthening project (phase II: 7/2012-6/2014)	UNEP		\$200,000	\$0	\$200,000	
<b>Total for Saudi Arabia</b>			<b>\$200,000</b>		<b>\$200,000</b>	
<b>SOMALIA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing sector)	UNIDO	0.5	\$133,500	\$9,345	\$142,845	
<i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption an estimated baseline of 5.3 ODP tonnes, calculated using the consumption of 5.1 ODP tonnes and 5.5 ODP tonnes reported for 2009 and 2010, respectively, based on the revised survey data, plus 1.68 ODP tonnes of HCFC-141b contained in imported pre-blended polyols systems, resulting in 6.97 ODP tonnes. UNIDO and the Government were requested to deduct 1.85 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. The Fund Secretariat was requested, in the event that the baseline consumption for Somalia was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the revised figures for the baseline once approved by the Parties to the Montreal Protocol. Somalia was allowed to submit the foam sector plan for phasing out the HCFC-141b contained in imported pre-blended polyols during the implementation of stage I of the HPMP.</i>						

## List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
HCFC phase-out management plan (stage I, first tranche) (additional security)	UNIDO		\$40,374	\$2,826	\$43,200	
<p><i>Approved, on an exceptional basis, and without setting a precedent for any future projects, the security-related costs in addition to the funding of the first tranche of stage I of the HPMP to enable the implementation of the programme. Noted that additional funding of US \$45,000 could be requested when the second tranche of stage I of the HPMP was submitted, on the understanding that the approval of this funding would be subject to an assessment on the security situation at the time.</i></p>						
<b>Total for Somalia</b>		<b>0.5</b>	<b>\$173,874</b>	<b>\$12,171</b>	<b>\$186,045</b>	

## SOUTH AFRICA

### FOAM

#### Sectoral phase out plan

HCFC phase-out management plan (stage I, first tranche) (polyurethane foam sector plan)	UNIDO	24.9	\$1,850,224	\$129,516	\$1,979,740	
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*Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 369.7 ODP tonnes, calculated using actual consumption of 339.2 ODP tonnes and 400.1 ODP tonnes reported for 2009 and 2010, respectively. Noted the commitment of the Government to ban imports and exports of HCFC-141b, both pure and contained in pre-blended polyols, no later than 1 January 2016. UNIDO and the Government were requested to deducting 160.00 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. Noted that approval of stage I of the HPMP did not preclude South Africa from submitting, not earlier than 2015, a proposal to achieve a reduction in HCFCs beyond that addressed in stage I of the HPMP. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for South Africa was amended based on revised Article 7 data, to update Appendix 1-A and Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption. UNIDO was requested to provide within its tranche implementation plan a specific section reporting on the progress on implementing the accelerated phase-out of non-eligible HCFC consumption and concrete measures taken to implement the import and export controls for HCFC-141b and HCFC-containing equipment.*

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>PHASE-OUT PLAN</b>					
<b>HCFC phase out plan</b>					
HCFC phase-out management plan (stage I, first tranche) (refrigeration servicing, custom training and monitoring)	UNIDO		\$110,005	\$7,700	\$117,705
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the baseline of 369.7 ODP tonnes, calculated using actual consumption of 339.2 ODP tonnes and 400.1 ODP tonnes reported for 2009 and 2010, respectively. Noted the commitment of the Government to ban imports of new or used refrigeration and air-conditioning system containing HCFCs by 1 January 2014. UNIDO and the Government were requested to deducting 16.72 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. Noted that approval of stage I of the HPMP did not preclude South Africa from submitting, not earlier than 2015, a proposal to achieve a reduction in HCFCs beyond that addressed in stage I of the HPMP. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for South Africa was amended based on revised Article 7 data, to update Appendix 1-A and Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption. UNIDO was requested to provide within its tranche implementation plan a specific section reporting on the progress on implementing the accelerated phase-out of non-eligible HCFC consumption and concrete measures taken to implement the import and export controls for HCFC-141b and HCFC-containing equipment.</i></p>					
	<b>Total for South Africa</b>	<b>24.9</b>	<b>\$1,960,229</b>	<b>\$137,216</b>	<b>\$2,097,445</b>
<b>SRI LANKA</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase IX: 1/2013-12/2014)	UNDP		\$134,056	\$9,384	\$143,440
	<b>Total for Sri Lanka</b>		<b>\$134,056</b>	<b>\$9,384</b>	<b>\$143,440</b>
<b>SURINAME</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase IV: 7/2012-6/2014)	UNEP		\$73,333	\$0	\$73,333
	<b>Total for Suriname</b>		<b>\$73,333</b>		<b>\$73,333</b>



# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)		C.E. (US\$/kg)
			Project	Support	
<b>TANZANIA</b>					
<b>PHASE-OUT PLAN</b>					
<b>HCFC phase out plan</b>					
HCFC phase-out management plan (stage I, first tranche)	UNIDO	0.1	\$50,000	\$4,500	\$54,500
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the established baseline of 1.7 ODP tonnes, calculated using consumption of 1.4 ODP tonnes and 2.0 ODP tonnes reported for 2009 and 2010 respectively. UNEP, UNIDO and the Government were requested to deduct 0.59 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for the United Republic of Tanzania was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted.</i></p>					
HCFC phase-out management plan (stage I, first tranche)	UNEP	0.1	\$55,000	\$7,150	\$62,150
<p><i>Approved in accordance with the Agreement between the Government and the Executive Committee for the period 2012 to 2020 to reduce HCFC consumption by 35 per cent of the baseline. Noted that the Government had agreed to establish as its starting point for sustained aggregate reduction in HCFC consumption the established baseline of 1.7 ODP tonnes, calculated using consumption of 1.4 ODP tonnes and 2.0 ODP tonnes reported for 2009 and 2010 respectively. UNEP, UNIDO and the Government were requested to deduct 0.59 ODP tonnes of HCFCs from the starting point for sustained aggregate reduction in HCFC consumption. The Fund Secretariat was requested, in the event that the baseline consumption for compliance for the United Republic of Tanzania was amended based on revised Article 7 data, to update Appendix 2-A to the Agreement to include the figures for maximum allowable consumption, and to notify the Executive Committee of the resulting change in the levels of maximum allowable consumption and of any potential related impact on the eligible funding level, with any adjustments needed being made when the next tranche was submitted.</i></p>					
<b>Total for Tanzania</b>		<b>0.2</b>	<b>\$105,000</b>	<b>\$11,650</b>	<b>\$116,650</b>
<b>TUVALU</b>					
<b>SEVERAL</b>					
<b>Ozone unit support</b>					
Extension of the institutional strengthening project (phase IV: 1/2013-12/2014)	UNEP		\$60,000	\$0	\$60,000
<b>Total for Tuvalu</b>			<b>\$60,000</b>		<b>\$60,000</b>

# List of projects and activities approved for funding

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Project Title	Agency	ODP (tonnes)	Funds approved (US\$)			C.E. (US\$/kg)
			Project	Support	Total	
<b>VANUATU</b>						
<b>SEVERAL</b>						
<b>Ozone unit support</b>						
Extension of institutional strengthening project (phase IV: 1/2013-12/2014)	UNEP		\$60,000	\$0	\$60,000	
	<b>Total for Vanuatu</b>		<b>\$60,000</b>		<b>\$60,000</b>	
<b>VENEZUELA</b>						
<b>PHASE-OUT PLAN</b>						
<b>HCFC phase out plan</b>						
HCFC phase-out management plan (stage I, second tranche)	UNIDO		\$603,339	\$45,250	\$648,589	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption is 208.91 ODP tonnes, calculated using actual consumption of 216.2 ODP tonnes and 197.7 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, plus the use of HCFC-141b of 1.91 ODP tonnes contained in imported pre-blended polyols in eligible enterprises.</i>						
HCFC phase-out management plan (stage I, second tranche)	UNEP		\$46,661	\$6,066	\$52,727	
<i>Noted that the Agreement was updated based on the established HCFC baseline for compliance; and that the revised starting point for sustained aggregate reduction in HCFC consumption is 208.91 ODP tonnes, calculated using actual consumption of 216.2 ODP tonnes and 197.7 ODP tonnes reported for 2009 and 2010, respectively, under Article 7 of the Montreal Protocol, plus the use of HCFC-141b of 1.91 ODP tonnes contained in imported pre-blended polyols in eligible enterprises.</i>						
	<b>Total for Venezuela</b>		<b>\$650,000</b>	<b>\$51,316</b>	<b>\$701,316</b>	
	<b>GRAND TOTAL</b>	<b>77.1</b>	<b>\$9,750,791</b>	<b>\$823,566</b>	<b>\$10,574,357</b>	

## Summary

UNEP/OzL.Pro/ExCom/67/39  
Annex VII

Sector	Tonnes (ODP)	Funds approved (US\$)		
		Project	Support	Total
<b>BILATERAL COOPERATION</b>				
Phase-out plan		\$60,000	\$7,800	\$67,800
Destruction		\$900,000	\$109,000	\$1,009,000
<b>TOTAL:</b>		\$960,000	\$116,800	\$1,076,800
<b>INVESTMENT PROJECT</b>				
Foam	26.4	\$1,560,860	\$109,945	\$1,670,805
Fumigant	50.0	\$500,000	\$37,500	\$537,500
Production		\$739,900	\$213,968	\$953,868
Phase-out plan	0.7	\$1,903,198	\$148,330	\$2,051,528
Destruction		\$2,139,609	\$149,773	\$2,289,382
<b>TOTAL:</b>	77.1	\$6,843,567	\$659,516	\$7,503,083
<b>WORK PROGRAMME AMENDMENT</b>				
Several		\$1,947,224	\$47,250	\$1,994,474
<b>TOTAL:</b>		\$1,947,224	\$47,250	\$1,994,474
<b>Summary by Parties and Implementing Agencies</b>				
Italy		\$60,000	\$7,800	\$67,800
Japan		\$900,000	\$109,000	\$1,009,000
IBRD		\$739,900	\$213,968	\$953,868
UNDP		\$646,667	\$46,267	\$692,934
UNEP	0.1	\$1,413,895	\$18,416	\$1,432,311
UNIDO	77.0	\$5,990,329	\$428,115	\$6,418,444
<b>GRAND TOTAL</b>	77.1	\$9,750,791	\$823,566	\$10,574,357

**ADJUSTMENTS ARISING FROM THE 67TH MEETING OF THE EXECUTIVE COMMITTEE FOR BALANCES ON PROJECTS AND ACTIVITIES**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Canada (per decision 67/3(a)(ii))*	2,418	314	2,733
UNDP (per decision 67/3(a)(iii)&(iv))	1,190,304	72,986	1,263,290
UNEP (per decision 67/3(a)(iii)&(iv))	296,503	25,094	321,597
UNIDO (per decision 67/3(a)(iii)&(iv))	295,883	22,274	318,157
World Bank (per decision 67/3(a)(iii)&(iv))	175,595	19,373	194,968
<b>Total</b>	<b>1,960,703</b>	<b>140,041</b>	<b>2,100,745</b>

\*Cash transfer

**NET ALLOCATIONS TO IMPLEMENTING AGENCIES AND BILATERAL CONTRIBUTIONS BASED ON DECISIONS OF THE 67TH MEETING OF THE EXECUTIVE COMMITTEE**

Agency	Project Costs (US\$)	Support Costs (US\$)	Total (US\$)
Italy (1)	60,000	7,800	67,800
Japan (1)	900,000	109,000	1,009,000
UNDP (2)	0	0	0
UNEP	1,117,392	-6,678	1,110,714
UNIDO	5,694,446	405,841	6,100,287
World Bank (3)	0	0	0
<b>Total</b>	<b>7,771,838</b>	<b>515,963</b>	<b>8,287,801</b>

(1) Total amount to be assigned to 2012 bilateral contributions.

(2) The amount of US \$570,356 for UNDP shall be deducted from UNDP's net approval at the 68<sup>th</sup> meeting.

(3) The remaining amount of US \$138,213 from transfers related to the 66<sup>th</sup> meeting shall be deducted from the World Bank's net approval at the 68<sup>th</sup> meeting. In addition, the returned amount of US \$194,968 at the 67<sup>th</sup> meeting shall also be deducted from the World Bank's net approval at the 68<sup>th</sup> meeting.

## Annex VIII

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF THE BOLIVARIAN REPUBLIC OF VENEZUELA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the Bolivarian Republic of Venezuela (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 186.3 ODP tonnes prior to 1 January 2015 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A (“maximum allowable total consumption of Annex C, Group I Substances”; the Target) as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances which exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, and 4.6.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (“Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country will accept independent verification, to be commissioned by the relevant bilateral or implementing agency, of achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) of this Agreement as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved. Exempt are years for which no obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;

- (c) That the Country had submitted tranche implementation reports in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each previous calendar year, that it had achieved a significant level of implementation of activities initiated with previously approved tranches, and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;
- (d) That the Country has submitted and received approval from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (“Format of Tranche Implementation Reports and Plans”) covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> Meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous tranche implementation plan in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest phase-down and phase-out of the Substances specified in Appendix 1-A. Reallocations categorized as major changes must be documented in advance in a Tranche Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(d). Major changes would relate to reallocations affecting in total 30 per cent or more of the funding of the last approved tranche, issues potentially concerning the rules and policies of the Multilateral Fund, or changes which would modify any clause of this Agreement. Reallocations not categorized as major changes may be incorporated in the approved Tranche Implementation Plan, under implementation at the time, and reported to the Executive Committee in the Tranche Implementation Report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and UNEP has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country's activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have entered into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This updated Agreement supersedes the Agreement reached between the Government of the Bolivarian Republic of Venezuela and the Executive Committee at the 63<sup>rd</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	161.63
HCFC-123	C	I	0.07
HCFC-124	C	I	0.00
HCFC-141b	C	I	39.56
HCFC-142b	C	I	5.68
Sub-total			206.94
HCFC-141b contained in imported pre-blended polyol			1.91
Total			208.86

### APPENDIX 2-A: THE TARGETS, AND FUNDING

		2011	2012	2013	2014	2015	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	207.0	207.0	186.3	n/a
1.2	Maximum allowable total consumption of Annex C Group I substances (ODP tonnes)	n/a	n/a	207.0	207.0	186.3	n/a
2.1	Lead IA UNIDO agreed funding(US \$)	654,854	603,339	324,875	0	175,432	1,758,500
2.2	Support costs for Lead IA (US \$)	49,114	45,250	24,366	0	13,158	131,888
2.3	Cooperating IA UNEP agreed funding (US \$)	50,646	46,661	25,125	0	13,568	136,000
2.4	Support costs for Cooperating IA (US \$)	6,584	6,066	3,266	0	1,764	17,680
3.1	Total agreed funding (US \$)	705,500	650,000	350,000	0	189,000	1,894,500
3.2	Total support cost	55,698	51,316	27,632	0	14,922	149,568
3.3	Total agreed costs (US \$)	761,198	701,316	377,632	0	203,922	2,044,068
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)						23.16
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)						n/a
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)						138.47
4.2.1	Total phase-out of HCFC-124 agreed to be achieved under this agreement (ODP tonnes)						n/a
4.2.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)						n/a
4.2.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)						0
4.3.1	Total phase-out of HCFC-141b agreed to be achieved under this agreement (ODP tonnes)						n/a
4.3.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)						n/a
4.3.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)						39.56
4.4.1	Total phase-out of HCFC-142b agreed to be achieved under this agreement (ODP tonnes)						n/a
4.4.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)						n/a
4.4.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)						5.68
4.5.1	Total phase-out of HCFC-123 agreed to be achieved under this agreement (ODP tonnes)						n/a
4.5.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)						n/a
4.5.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)						0.07
4.6.1	Total phase-out of HCFC-141b contained in imported pre-blended polyol agreed to be achieved under this agreement (ODP tonnes)						n/a
4.6.2	Phase-out of HCFC-141b contained in imported pre-blended polyol to be achieved in previously approved projects (ODP tonnes)						n/a
4.6.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyol (ODP tonnes)						1.91



### **APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval not earlier than the first meeting of the year specified in Appendix 2-A.

### **APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORTS AND PLANS**

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the Plan, reflecting on changes in the circumstances in the Country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence, and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall Plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
  - (d) A set of quantitative information for the report and plan, submitted into a database. As per the relevant decisions of the Executive Committee in respect to the format required, the data should be submitted online. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the Country and the Lead IA; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The monitoring activities will be carried out within the HPMP implementation, monitoring and control project, and will include:

- (a) The implementation of all the projects within the HPMP;
- (b) The regular monitoring of the project implementation and results;
- (c) The production of periodic reports on project results in order to facilitate corrective actions;
- (d) The production of timely project progress reports to the Executive Committee; and
- (e) Regular monitoring of market developments and trends at the national and international levels.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities. These can be specified in the project document further, but include at least the following:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the Tranche Implementation Plans and subsequent reports as per Appendix 4-A;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall Plan and in future Tranche Implementation Plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall Plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of

the Agreement, to determine, in consultation with the Country and the Cooperating IAs, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;

- (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (l) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

#### **APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will be responsible for a range of activities. These activities can be specified in the respective project document further, but include at least the following:

- (a) Providing policy development assistance when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

#### **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$163 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

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## **Annex IX**

### **VIEWS EXPRESSED BY THE EXECUTIVE COMMITTEE ON RENEWAL OF INSTITUTIONAL STRENGTHENING PROJECTS SUBMITTED TO THE 67<sup>th</sup> MEETING**

#### **Bolivia (Plurinational State of)**

1. The Executive Committee reviewed the report submitted with the institutional strengthening project renewal for the Plurinational State of Bolivia and noted with appreciation that the country reported 2010 Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol control measures. The Executive Committee also noted that during this phase the Plurinational State of Bolivia made progress in the process of ratification of the Beijing Amendment and started implementation of its HCFC phase-out management plan. The Executive Committee encouraged the Plurinational State of Bolivia to ratify the Beijing Amendment as soon as possible and expressed the expectation that, in the next two years, the Plurinational State of Bolivia will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Brunei Darussalam**

2. The Executive Committee reviewed the report of the institutional strengthening project extension for Brunei Darussalam and noted with appreciation that Brunei Darussalam reported 2011 country programme implementation data to the Multilateral Fund Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Brunei Darussalam will sustain the phase-out of CFCs and continue the implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Cook Islands (the)**

3. The Executive Committee reviewed the report of the institutional strengthening project extension for the Cook Islands and noted with appreciation that the Cook Islands reported 2010 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, the Cook Islands will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Egypt**

4. The Executive Committee reviewed the report presented with the institutional strengthening project renewal request for Egypt and noted with appreciation that Egypt reported 2011 country programme implementation data to the Multilateral Fund Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Egypt will sustain the phase-out of CFCs and continue implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

## **Fiji**

5. The Executive Committee reviewed the report of the institutional strengthening project extension for Fiji and noted with appreciation that Fiji reported 2011 country programme implementation data to the Multilateral Fund Secretariat and Article 7 data to the Ozone Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Fiji will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

## **Gambia (the)**

6. The Executive Committee reviewed the report presented with the institutional strengthening project renewal for the Gambia and noted with appreciation that the Gambia reported 2010 Article 7 data to the Ozone Secretariat showing that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, the Gambia will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

## **Ghana**

7. The Executive Committee reviewed the report presented with the institutional strengthening renewal request for Ghana and noted with appreciation the achievements made by Ghana's National Ozone Unit during the present phase, which include the implementation of the HCFC phase-out management plan and the ODS disposal project. The Executive Committee acknowledged with appreciation that Ghana reported 2011 Article 7 data to the Ozone Secretariat showing that the total phase-out of CFCs has been maintained in conformity with the Montreal Protocol, and that the country is in compliance with the Montreal Protocol control measures. The Executive Committee commended the Government of Ghana for its achievements and expressed the expectation that, in the next two years, Ghana will continue to sustain its ODS phase-out targets including achievement of the HCFC targets in 2013 and 2015.

## **Grenada**

8. The Executive Committee reviewed the report of the institutional strengthening project renewal for Grenada and noted with appreciation that Grenada reported 2011 country programme implementation data to the Multilateral Fund Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Grenada will sustain the phase-out of CFCs and continue the implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

## **Guinea-Bissau**

9. The Executive Committee reviewed the report presented with the institutional strengthening project renewal for Guinea-Bissau and noted that Guinea-Bissau reported 2011 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Guinea-Bissau will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Iran (Islamic Republic of)**

10. The Executive Committee reviewed the information reported for the eighth phase of the institutional strengthening project for the Islamic Republic of Iran and noted with appreciation that the Islamic Republic of Iran reported 2011 country programme implementation data to the Multilateral Fund Secretariat showing that the country is in compliance with the Montreal Protocol control measures. The Executive Committee also noted that the country has taken significant steps to initiate the implementation of the HCFC phase-out management plan and to complete the national phase-out plan and the CFC metered-dose inhaler manufacturing project. The Executive Committee appreciated the effort of the Islamic Republic of Iran to reduce ODS consumption and expressed the expectation that, in the next two years, the Islamic Republic of Iran will continue implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Lao People's Democratic Republic (the)**

11. The Executive Committee reviewed the report of the institutional strengthening project extension for the Lao People's Democratic Republic and noted with appreciation that the country reported 2010 Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, the Lao People's Democratic Republic will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Madagascar**

12. The Executive Committee reviewed the report presented with the institutional strengthening project renewal for Madagascar and noted with appreciation that the country reported 2010 Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Madagascar will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Maldives**

13. The Executive Committee reviewed the report of the institutional strengthening project extension for Maldives and noted with appreciation that Maldives reported 2011 data to the Ozone Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Maldives will sustain the phase-out of CFCs and continue the implementation of the HCFC phase-out management plan with outstanding success to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Micronesia (Federated States of)**

14. The Executive Committee reviewed the report of the institutional strengthening project extension for the Federated States of Micronesia and noted with appreciation that the country reported 2011 Article 7 data to the Ozone Secretariat indicating that it is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, the Federated States of Micronesia will sustain the phase-out of CFCs and continue successfully with the

implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Nauru**

15. The Executive Committee reviewed the report of the institutional strengthening project extension for Nauru and noted with appreciation that Nauru reported 2010 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Nauru will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Nepal**

16. The Executive Committee reviewed the report of the institutional strengthening project extension for Nepal and noted with appreciation that Nepal reported 2011 Article 7 data to the Ozone Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee also noted with appreciation that the Government of Nepal has deposited its instruments of ratification of the Copenhagen, Montreal and Beijing Amendments of the Montreal Protocol with the United Nations in New York and that the Amendments will enter into force for Nepal on 16 August 2012. The Executive Committee expressed the expectation that, in the next two years, Nepal will sustain the phase-out of CFCs and continue the implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Republic of Moldova (the)**

17. The Executive Committee reviewed the report submitted with the institutional strengthening project renewal for the Republic of Moldova and noted with appreciation that the Republic of Moldova reported 2011 country programme implementation data to the Multilateral Fund Secretariat and 2011 Article 7 data to the Ozone Secretariat. The Executive Committee acknowledged with appreciation that the Republic of Moldova has attained zero CFC consumption target in 2010 under the Montreal Protocol and has taken significant steps to initiate the implementation of its HCFC phase-out management plan. The Executive Committee expressed the expectation that, in the next two years, the Republic of Moldova will sustain the phase-out of CFCs and will continue the implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

#### **Saudi Arabia**

18. The Executive Committee reviewed the report presented with the institutional strengthening project renewal request for Saudi Arabia and noted with appreciation that Saudi Arabia reported 2010 Article 7 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee also noted that, within the framework of the institutional strengthening project, Saudi Arabia has achieved in 2009-2010 a remarkable phase-out of its ODS consumption and fulfilled its commitments in completely phasing out the consumption of CFCs.

19. The Executive Committee commended the efforts of Saudi Arabia to complete the implementation of its national phase-out management plan for CFCs, encouraged Saudi Arabia to ratify the Montreal and Beijing Amendments as soon as possible and expressed the expectation that, in the next two years, Saudi Arabia will sustain the phase-out of CFCs, continue successfully with the implementation of its on-going HCFC phase-out activities and finalize the formulation of its HCFC

phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Sri Lanka**

20. The Executive Committee reviewed the information reported for the eighth phase of the institutional strengthening project for Sri Lanka and noted with appreciation that the country reported 2011 country programme implementation data to the Multilateral Fund Secretariat showing that the total phase-out of CFCs has been maintained in conformity with the Montreal Protocol. The Executive Committee also noted that the country has taken significant steps to initiate the implementation of the HCFC phase-out management plan and to complete on-going projects to sustain the CFCs consumption phase-out. The Executive Committee commended Sri Lanka's efforts to reduce the consumption of ODS and expressed the expectation that, in the next two years, Sri Lanka will continue implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Suriname**

21. The Executive Committee reviewed the report submitted with the institutional strengthening project renewal for Suriname and noted with appreciation that the country reported 2011 country programme implementation data to the Multilateral Fund Secretariat indicating that Suriname is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Suriname will sustain the phase-out of CFCs and continue the implementation of its HCFC phase-out management plan with outstanding success in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Tuvalu**

22. The Executive Committee reviewed the report of the institutional strengthening project extension for Tuvalu and noted with appreciation that Tuvalu reported 2010 data to the Ozone Secretariat indicating that the country is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Tuvalu will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

### **Vanuatu**

23. The Executive Committee reviewed the report of the institutional strengthening project extension for Vanuatu and noted with appreciation that Vanuatu reported 2011 country programme implementation data to the Multilateral Fund Secretariat indicating that the country sustained the total phase-out of CFCs and is in compliance with the Montreal Protocol control measures. The Executive Committee expressed the expectation that, in the next two years, Vanuatu will sustain the phase-out of CFCs and continue successfully with the implementation of its HCFC phase-out management plan in order to meet the initial targets to freeze the consumption of HCFCs in 2013 and reduce them by 10 per cent in 2015.

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## Annex X

### **UPDATED AGREEMENT BETWEEN THE GOVERNMENT OF CHINA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of China (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 16,978.9 ODP tonnes by 1 January 2015 in compliance with Montreal Protocol schedules.

2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 (“Maximum allowable total consumption of Annex C, Group I substances”) of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3, 4.5.3, and 4.6.3 (remaining eligible consumption).

3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A (“The Targets, and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).

4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted and the commitments specified in Appendix 8-A. In accordance with sub-paragraphs 5(a)(ii) and 5(b)(i) of this Agreement, the Country will accept independent verification of completion of the conversion of manufacturing capacity as well as achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement.

5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks<sup>1</sup> in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:

- (a) For the release of any tranche:
  - (i) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (ii) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required; and
  - (iii) That, for all submissions from the 68<sup>th</sup> Meeting onwards, confirmation has been

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<sup>1</sup> Tranches with requested level of funding of more than US \$5 million should be submitted in full 12 weeks in advance to the applicable Executive Committee meeting in line with decision 20/7.

received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement;

- (b) Conditions to be met as a precondition for the release of tranches for a sector plan:
- (i) For sector plans with activities that include the conversion of manufacturing capacity, the Country has submitted a verification report of a random sample of at least 5 per cent of the manufacturing lines which had completed their conversion in the year to be verified, on the understanding that the total aggregated HCFC consumption of the random sample of the manufacturing lines represents at least 10 per cent of the sector consumption phased out in that year;
  - (ii) That the Country had submitted annual implementation reports in the form of Appendix 4-A ("Format of Implementation Reports and Plans") covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent; and
  - (iii) That the Country has submitted an annual implementation plan for the respective sector in the form of Appendix 4-A ("Format of Implementation Reports and Plans") covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement, and will also establish and maintain a system to monitor the consumption in the different sectors, to ensure compliance with the sector consumption limits set out in rows 1.3.1, 1.3.2, 1.3.3, 1.3.4 and 1.3.5 of Appendix 2-A. The institutions set out in Appendix 5-A ("Monitoring Institutions and Roles") will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, within the funding foreseen for each sector according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Should the Country decide during implementation of this Agreement to introduce alternative technologies other than those proposed in the sector plans submitted, or implement differently as proposed in those sector plans, this would require approval of those changes as part of an annual implementation plan. The documentation can also be provided as part of a revision to an existing annual implementation plan, to be submitted eight weeks prior to any meeting of the Executive Committee. Such a request would include a description of the changes in activities to implement the new alternative technology, the calculation of the associated incremental costs and the impact on the climate. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;

- (b) Reallocations categorized as major changes must be documented in advance in an Annual Implementation Plan and approved by the Executive Committee as described in sub-paragraph 5(b)(iii) above. The documentation can also be provided as part of a revision to an existing annual implementation plan, to be submitted eight weeks prior to any meeting of the Executive Committee. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Modifications to any clause in this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches on a sector level;
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan with a cost greater than 20 per cent of the total cost of the last approved tranche or US \$2.5 million, whichever is lower; and
  - (v) Removal of activities in the annual implementation plan with a cost greater than 20 per cent of the total cost of the last approved tranche or US \$2.5 million, whichever is lower;
- (c) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (d) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche of the Agreement.

8. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”), and the Government of Germany, the Government of Japan, UNIDO, UNEP and the World Bank have agreed to be cooperating agencies (“Cooperating IAs) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

9. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement across all relevant sectors, including but not limited to independent verification as per sub-paragraph 5(b)(i), and implementing the activities related to the role as the Lead IA described in Appendix 6-A and the activities as a sector Lead IA described in Appendix 6-B. UNIDO and UNEP will be responsible for carrying out the activities in the respective Sector Plans described in Appendices 6-C and 6-F, respectively, and their subsequent revisions as per sub-paragraph 5(b)(iii) and paragraph 7. The World Bank will be responsible for carrying out the independent verification as per sub-paragraph 5(a)(ii), and implementing additional activities regarding its role as a sector Lead IA described in Appendix 6-E. The Governments of Germany and Japan as the “Cooperating IAs” will be responsible for carrying out the activities described in Appendices 6-D and 6-G. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IAs with the fees set out in rows 2.1.2, 2.2.2, 2.2.4, 2.3.2, 2.4.2, 2.5.2, 2.5.4, 2.6.2 and 2.7.2 of Appendix 2-A.

10. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

11. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

13. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Sector Plan, and its subsequent revisions as per sub-paragraph 5(b)(iii) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), (b), (d), (e) and (g) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

14. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

15. This updated Agreement supersedes the Agreement reached between the Government of China and the Executive Committee at the 65<sup>th</sup> meeting and its revised Appendix 5-A approved at the 66<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	11,495.31
HCFC-123	C	I	10.13
HCFC-124	C	I	3.07
HCFC-141b	C	I	5,885.18
HCFC-142b	C	I	1,470.53
HCFC-225	C	I	1.22
Total			18,865.44

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2011	2012	2013	2014	2015	Total
<b>Consumption targets</b>							
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	19,269.0	19,269.0	17,342.1	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	18,865.4	18,865.4	16,978.9	n/a
1.3.1	Maximum allowable consumption of Annex C, Group I substances in the ICR sector (ODP tonnes)	n/a	n/a	2,402.8	2,402.8	2,162.5	n/a
1.3.2	Maximum allowable consumption of Annex C, Group I substances in the XPS foam sector (ODP tonnes)	n/a	n/a	2,540.0	2,540.0	2,286.0	n/a
1.3.3	Maximum allowable consumption of Annex C, Group I substances in the PU foam sector (ODP tonnes)	n/a	n/a	5,392.2	5,392.2	4,449.6	n/a
1.3.4	Maximum allowable consumption of Annex C, Group I substances in the RAC sector (ODP tonnes)	n/a	n/a	4,108.5	4,108.5	3,697.7	n/a
1.3.5	Maximum allowable consumption of Annex C, Group I substances in the solvent sector	n/a	n/a	494.2	494.2	455.2	n/a
<b>Funding industrial and commercial refrigeration and air conditioning (ICR) sector plan</b>							
2.1.1	Sector Lead IA (UNDP) agreed funding (US \$)	25,380,000	6,900,000	8,495,000	11,075,000	9,150,000	61,000,000
2.1.2	Support costs for UNDP (US \$)	1,903,500	483,000	594,650	775,250	640,500	4,396,900
<b>Funding extruded polystyrene (XPS) foam sector plan</b>							
2.2.1	Sector Lead IA (UNIDO) agreed funding (US \$)	21,372,000	10,217,000	3,998,000	6,330,000	6,733,000	48,650,000
2.2.2	Support costs for UNIDO (US \$)	1,602,900	715,190	279,860	443,100	471,310	3,512,360
2.2.3	Sector cooperating agency (Germany) agreed funding (US \$)	459,023	390,977	-	-	500,000	1,350,000
2.2.4	Support costs for Germany (US \$)	51,260	47,059	-	-	60,181	158,500
<b>Funding polyurethane rigid (PU) foam sector plan</b>							
2.3.1	Sector Lead IA (World Bank) agreed funding (US \$)	38,859,000	5,520,000	13,592,000	4,079,000	10,950,000	73,000,000
2.3.2	Support costs for World Bank (US \$)	2,914,000	386,400	951,440	285,530	766,500	5,303,870
<b>Funding room air conditioning (RAC) sector plan</b>							
2.4.1	Sector Lead IA (UNIDO) agreed funding (US \$)	36,430,000	9,200,000	8,495,000	9,625,000	11,250,000	75,000,000
2.4.2	Support costs for UNIDO (US \$)	2,732,250	644,000	594,650	673,750	787,500	5,432,150
<b>Funding service sector plan, including enabling programme</b>							
2.5.1	Sector Lead IA (UNEP) agreed funding (US \$)	1,579,000	598,000	1,104,000	1,173,000	786,000	5,240,000
2.5.2	Support costs for UNEP (US \$)	176,703	66,921	123,547	131,269	87,960	586,400
2.5.3	Sector cooperating agency (Japan) agreed funding (US \$)	80,000	80,000	80,000	80,000	80,000	400,000
2.5.4	Support costs for Japan (US \$)	10,400	10,400	10,400	10,400	10,400	52,000
<b>Funding national co-ordination</b>							
2.6.1	Overall Lead IA (UNDP) agreed funding (US \$)	360,000	-	-	-	-	360,000
2.6.2	Support costs for UNDP (US \$)	27,000	-	-	-	-	27,000
<b>Funding solvent sector plan</b>							
2.7.1	Overall Lead IA (UNDP) agreed funding (US \$)	2,500,000	0	2,000,000	0	500,000	5,000,000
2.7.2	Support costs for UNDP (US \$)	187,500	0	140,000	0	35,000	362,500
<b>Overall funding</b>							
3.1	Total agreed funding (US \$)	127,019,023	32,905,977	37,764,000	32,362,000	39,949,000	270,000,000
3.2	Total support cost (US \$)	9,605,513	2,352,970	2,694,547	2,319,299	2,859,351	19,831,680
3.3	Total agreed costs (US \$)	136,624,536	35,258,947	40,458,547	34,681,299	42,808,351	289,831,680

**APPENDIX 2-A: THE TARGETS, AND FUNDING - continuation**

Phase-out and remaining eligible consumption		
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)	1,443.73
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)*	35.99
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)	10,015.59
4.2.1	Total phase-out of HCFC-123 agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.2.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)	0.00
4.2.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)	10.13
4.3.1	Total phase-out of HCFC-124 agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.3.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)	0.00
4.3.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)	3.07
4.4.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)	1,681.29
4.4.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)**	16.71
4.4.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)	4,187.18
4.5.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)	260.81
4.5.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)***	6.66
4.5.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)	1,203.06
4.6.1	Total phase-out of HCFC-225 agreed to be achieved under this Agreement (ODP tonnes)	0.00
4.6.2	Phase-out of HCFC-225 to be achieved in previously approved projects (ODP tonnes)	0.00
4.6.3	Remaining eligible consumption for HCFC-225 (ODP tonnes)	1.22

\* Associated with previously approved funding not included in row 3 of US \$ 12,081,951, including a compressor manufacturing conversion project and 50 per cent of the funding for an XPS project with consumption in HCFC-22 and HCFC-142b

\*\* Associated with previously approved funding not included in row 3 of US \$ 2,753,079

\*\*\* Associated with previously approved funding not included in row 3 of US \$ 986,650, including 50 per cent of the funding for an XPS project with consumption in HCFC-22 and HCFC-142b

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. The Funding Approval Schedule consists of several tranches. Under this Agreement, a tranche is defined as the funding set out in each year for each sector plan or the national co-ordination, respectively, as specified in Appendix 2-A.
2. Funding for the future tranches will be considered for approval at the last meeting of the year specified in Appendix 2-A.

## APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS

1. The Lead IA, on behalf of the Country, will submit at least eight weeks<sup>2</sup> prior to the third meeting of the Executive Committee in any given year, for consideration at that meeting, the following reports to the Multilateral Fund Secretariat:

- (a) A verification report of the consumption of each of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(a)(ii) of the Agreement. If not otherwise decided by the Executive Committee, such a verification has to be provided together with each tranche request and will include verification of the consumption for all relevant years as specified in sub-paragraph 5(a)(i) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (b) For each sector plan a narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting, for each sector, the situation of the Country in regard to phase-out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a)(i) of the Agreement and can in addition also include information on activities in the current year;
- (c) For each sector plan, a written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request as per sub-paragraph 5(b)(iii). The description should highlight the interdependence of the activities, and take into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should further specify and explain in detail such changes to the overall sector plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) For each sector plan with activities that include the conversion of manufacturing capacity, a verification report related to completed conversion as per sub-paragraph 5(b)(i) of the Agreement;
- (e) For each sector, quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(b) and (c))

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<sup>2</sup> Tranches with requested level of funding of more than US \$5 million should be submitted in full 12 weeks in advance to the applicable Executive Committee meeting in line with decision 20/7.

above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and

- (f) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(e).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The Foreign Economic Cooperation Office/Ministry of Environment (FECO/MEP) is responsible for the overall co-ordination of activities to be undertaken in the HPMP with assistance of the Lead IA and acts as the National Ozone Unit, responsible for carrying out national policies and legislations regarding the control of ODS.

2. The national consumption will be monitored and determined based on production data and official import and export data for the Substances recorded by relevant government departments in line with paragraph 5(a)(ii) of this Agreement.

3. In addition to the a national system of licensing and quotas for HCFC imports, production and exports referred to in paragraph 5(a)(iii), a quota system covering enterprises using large quantities of HCFC in the different consumption sectors, where applicable, will be established to control the consumption growth, achieve the consumption reduction in those enterprises and collect the consumption data.

4. For those sectors with large amounts of small and medium enterprises, like PU foam sector, solvent sector, XPS foam sector and ICR sector, the consumption would be managed by limiting the quantities of the relevant substances to be sold to the domestic market.

5. FECO/MEP will closely supervise those enterprises carrying out the conversion activities in stage I of the HPMP to ensure the phase-out target in those enterprises had been achieved.

6. FECO/MEP will co-ordinate with the Lead IA and Cooperating IAs to facilitate the verification of the targets set in the Agreement.

7. FECO/MEP will cooperate with the Lead IA and Cooperating IAs in the preparation of reports according to paragraph 5(b)(ii) and Appendix 4-A of this Agreement.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA for stage I of the HPMP is UNDP. It will be responsible for a range of activities, including at least the following:

- (a) Activities related to national co-ordination;
- (b) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
- (c) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
- (d) Providing independent verification to the Executive Committee that the Targets have been met (except for overall consumption targets specified in row 1.2 of Appendix 2-A)



and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A. This independent verification can consist of a compilation of sector-specific independent verification carried out by the respective sector Lead IAs;

- (e) Ensuring that the experiences and progress is reflected in updates of the overall sector plan and in future annual implementation plans consistent with Appendix 4-A;
- (f) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (g) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (h) Carrying out required supervision missions;
- (i) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results as per sub-paragraph 5(b)(i) of the Agreement and sub-paragraph 1(d) of Appendix 4-A. The Lead IA can delegate the task described in this paragraph to the respective sector Lead IA on the understanding that such delegation will not interfere with the Lead IA's responsibility to carry out the verification of the HPMP results.

## **APPENDIX 6-B: ROLE OF UNDP**

1. UNDP, as the sector Lead IA for the industrial and commercial refrigeration (ICR) sector and the solvent sector, will be responsible for a range of activities described in those sector plans, including at least the following:

- (a) Providing assistance for policy development, planning and management of sector programming as set out in these sectors, when required;
- (b) Ensuring verification of performance and progress of disbursement in accordance with this Agreement and with its specific internal procedures and requirements as set out in these sectors and assisting the Country in the implementation and assessment of the activities;
- (c) Assisting the Country in the preparation of the ICR sector annual Implementation Plans as per Appendix 4-A;
- (d) Preparing reports to the Lead IA on these activities as per Appendix 4-A; and
- (e) Ensuring financial verification of the activities implemented.

2. UNDP will also act as sector Lead IA for any sector related obligations arising from any HCFC consumption sectors not specifically mentioned in this Agreement, with responsibilities closely resembling those under paragraph 1 above.

#### **APPENDIX 6-C: ROLE OF UNIDO**

1. UNIDO, as the Lead IA for the refrigeration and air conditioning (RAC) sector as well as for the extruded polystyrene (XPS) foam sector, will be responsible for a range of activities described in those sector plans, including at least the following:

- (a) Providing assistance for policy development, planning and management of sector programming as set out in the RAC and XPS foam sector plans, when required;
- (b) Ensuring verification of performance in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's RAC and XPS foam sector plans and assisting the Country in the implementation and assessment of the activities;
- (c) Ensuring progress of disbursement in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's RAC and XPS foam sector plans;
- (d) Assisting the Country in the preparation of respective RAC and XPS foam sector annual implementation plans as per Appendix 4-A;
- (e) Providing reports to the Lead IA on these activities as per Appendix 4-A; and
- (f) Ensuring financial verification of the activities implemented.

#### **APPENDIX 6-D: ROLE OF THE GOVERNMENT OF GERMANY**

1. The Government of Germany, as a Cooperating IA for the XPS foam sector, will be responsible for a range of activities described in that sector plan, including at least the following:

- (a) Providing assistance for policy development, planning and management of sector programming as set out in the XPS foam sector plan, when required;
- (b) Assisting the Country in the implementation and assessment of the activities;
- (c) Providing reports to the sector Lead IA on these activities as per Appendix 4-A; and
- (d) Ensuring financial verification of the activities implemented.

#### **APPENDIX 6-E: ROLE OF THE WORLD BANK**

1. After consultation with the Country and taking into account any views expressed, the World Bank will select and mandate an independent entity to carry out the verification of the consumption of the Country as specified in row 1.2 of Appendix 2-A, as per sub-paragraph 5(a)(ii) of this Agreement and sub-paragraph 1(a)(i) of Appendix 4-A.

2. The World Bank, as the sector Lead IA for the polyurethane foam (PU) sector, will be responsible for a range of activities described in that sector plan, including at least the following:

- (a) Providing assistance for policy development, planning and management of sector programming as set out in the PU sector plan, when required;
- (b) Ensuring verification of performance and progress of disbursement in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's PU sector plan and assisting the Country in the implementation and assessment of the activities;
- (c) Assisting the Country in the preparation of PU sector annual implementation plans as per Appendix 4-A;
- (d) Providing reports to the Lead IA on these activities as per Appendix 4-A; and
- (e) Ensuring financial verification of the activities implemented.

#### **APPENDIX 6-F: ROLE OF UNEP**

1. UNEP, as the sector Lead IA for the refrigeration servicing sector, will be responsible for a range of activities described in that sector plan, including at least the following:

- (a) Providing policy development assistance when required;
- (b) Assisting the Country in the implementation and assessment of the activities under its responsibility and refer to the Lead IA of the HPMP to ensure a co-ordinated sequence in the activities;
- (c) Assisting the Country in the preparation of service sector annual implementation plans as per Appendix 4-A;
- (d) Providing reports to the Lead IA on these activities as per Appendix 4-A; and
- (e) Ensuring financial verification of the activities implemented.

#### **APPENDIX 6-G: ROLE OF THE GOVERNMENT OF JAPAN**

1. The Government of Japan, as a Cooperating IA for the refrigeration servicing sector, will be responsible for a range of activities described in that sector plan, including at least the following:

- (a) Providing policy development assistance when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the sector Lead IA to ensure a co-ordinated sequence in the activities;
- (c) Providing reports to the sector Lead IA on these activities as per Appendix 4-A; and
- (d) Ensuring financial verification of the activities implemented.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 10 of the Agreement, the amount of funding provided may be reduced by US \$160 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

**APPENDIX 8-A: COMMITMENTS UNDERTAKEN BY THE COUNTRY WITH RESPECT TO CONVERSION IN THE RAC SECTOR**

1. During stage I of the HPMP, the Country agrees to convert at least 18 manufacturing lines for the production of RAC equipment to hydrocarbon technology as part of the RAC sector plan.

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## Annex XI

### **UPDATED AGREEMENT BETWEEN GHANA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUROCARBONS**

1. This Agreement represents the understanding of the Government of Ghana (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (the “Substances”) to a sustained level as set out in Appendix 2-A (the “Targets and Funding”). This would correspond to 37.25 ODP tonnes prior to 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (the “Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A as corresponding to the reduction step under this agreement for all ODS specified in Appendix 1-A, and in respect to any consumption of the substances which exceeds the level defined in rows 4.1.3 and 5.1.3.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification to be commissioned by the relevant implementing agency (IA) of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved when an obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country has substantially completed all actions set out in the previous tranche implementation plan and submitted a tranche implementation report in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each previous calendar year; and
  - (d) That the Country has submitted and received endorsement from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each calendar year until and including the year for

which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next tranche implementation plan and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved tranche implementation plan, under implementation at the time, and reported to the Executive Committee in the tranche implementation report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNDP has agreed to be the lead implementing agency (the “Lead IA”) and Italy has agreed to be cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by being responsible for carrying out the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA will enter into a formal agreement regarding planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the country did not comply with this agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the plan and its subsequent revisions as per sub-paragraph 5(d), the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This updated Agreement supersedes the Agreement reached between the Government of Ghana and the Executive Committee at the 61<sup>st</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	42.6
HCFC-142b	C	I	14.7
Total			57.3

## APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	57.30	57.30	51.57	51.57	51.57	51.57	51.57	37.25	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	57.30	57.30	51.57	51.57	51.57	51.57	51.57	37.25	n/a
2.1	Lead IA (UNDP) agreed funding (US \$)	200,000	0	200,000	0	190,000	0	195,000	0	125,000	121,311	0	1,031,311
2.2	Support costs for Lead IA (US \$)	15,000	0	15,000	0	14,250	0	14,625	0	9,375	9,098	0	77,348
2.3	Cooperating IA (Italy) agreed funding (US \$)	70,000	0	60,000	0	70,000	0	65,000	0	60,000	0	0	325,000
2.4	Support costs for Cooperating IA (US \$)	9,100	0	7,800	0	9,100	0	8,450	0	7,800	0	0	42,250
3.1	Total agreed funding (US \$)	270,000	0	260,000	0	260,000	0	260,000	0	185,000	121,311	0	1,356,311
3.2	Total support costs (US \$)	24,100	0	22,800	0	23,350	0	23,075	0	17,175	9,098	0	119,598
3.3	Total agreed costs (US \$)	294,100	0	282,800	0	283,350	0	283,075	0	202,175	130,409	0	1,475,909
4.1.1	Total phase-out of HCFC-22 under this agreement (ODP tonnes)												13.19
4.1.2	Phase-out of HCFC-22 in previously approved projects (ODP tonnes)												0.00
4.1.3	Remaining eligible consumption for HCFC-22												29.41
5.1.1	Total phase-out of HCFC-142b under this agreement (ODP tonnes)												13.08
5.1.2	Phase-out of HCFC-142b in previously approved projects (ODP tonnes)												0.00
5.1.3	Remaining eligible consumption for HCFC-142b												1.62

## APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

## APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORT AND PLAN

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;



- (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the year specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
- (d) A set of quantitative information for the report and plan, submitted online into a database, as per the relevant decisions of the Executive Committee in respect to the format required. This quantitative information, to be submitted by calendar year, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and agency; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the National Ozone Unit, which is included within this HPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the HPMP. This organization, along with the cooperating IA will also undertake the challenging task of monitoring illegal ODS imports and exports with advisements made to the appropriate national agencies through the National Ozone Office.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:

- (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
- (b) Assisting the Country in preparation of the tranche Implementation Plan and subsequent report as per Appendix 4-A;
- (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the tranche Implementation Plan consistent with Appendix 4-A;
- (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future tranche implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
- (e) Fulfilling the reporting requirements for the tranches and the overall plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee; this responsibility includes the reporting about activities undertaken by the Cooperating IA;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
- (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

**APPENDIX 6-B: ROLE OF COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will:
  - (a) Provide policy development assistance when required;
  - (b) Assist the Country in the implementation and assessment of the activities funded for by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
  - (c) Provide reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$50,000 per ODP tonne of reductions in consumption not achieved in the year.

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## Annex XII

### **UPDATED AGREEMENT BETWEEN THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the former Yugoslav Republic of Macedonia and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (the “Substances”) to a sustained reduction to 1.17 ODP tonnes, prior to 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (the “Targets and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances which exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this agreement for all ODS specified in Appendix 1-A, and in respect to any consumption of each of the substances which exceeds the level defined in rows 4.1.3 and 4.2.3.
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees in principle to provide the funding set out in row 3.1 of Appendix 2-A (the “Targets and Funding”) to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (the “Funding Approval Schedule”).
4. The Country will meet the consumption limits for each of the Substances as indicated in Appendix 2-A. It will also accept independent verification to be commissioned by the relevant implementing agency (IA) of achievement of these consumption limits as described in sub-paragraph 5(b) of this Agreement.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least 60 days prior to the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country has met the Targets for all relevant years. Relevant years are all years since the year in which the hydrochlorofluorocarbons phase-out management plan (HPMP) was approved when an obligation for reporting of country programme data exists at the date of the Executive Committee Meeting at which the funding request is being presented;
  - (b) That the meeting of these Targets has been independently verified, except if the Executive Committee decided that such verification would not be required;
  - (c) That the Country has substantially completed all actions set out in the previous tranche implementation plan and submitted a tranche implementation report in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each previous calendar year; and

- (d) That the Country has submitted and received endorsement from the Executive Committee for a tranche implementation plan in the form of Appendix 4-A (the “Format of Tranche Implementation Report and Plan”) for each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (the “Monitoring Institutions and Roles”) will monitor and report on that monitoring in accordance with the roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in sub-paragraph 5(b).

7. While the Funding was determined on the basis of estimates of the needs of the Country to carry out its obligations under this Agreement, the Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the goals prescribed under this Agreement. Reallocations categorized as major changes must be documented in advance in the next tranche implementation plan and endorsed by the Executive Committee as described in sub-paragraph 5(d). Reallocations not categorized as major changes may be incorporated in the approved tranche implementation plan, under implementation at the time, and reported to the Executive Committee in the tranche implementation report. Any remaining funds will be returned to the Multilateral Fund upon closure of the last tranche of the plan.

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

- (a) Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) Country and the implementing agencies will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) and in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the IA taking part in this Agreement.

10. The Lead IA will be responsible for carrying out the activities of the plan as detailed in the first submission of the HPMP with the changes approved as part of the subsequent tranche submissions, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised funding approval schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amounts set out in Appendix 7-A in respect of each ODP tonne of reductions in consumption not achieved in any one year. The Executive Committee will discuss each

specific case in which the country did not comply with this agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5.

12. The funding components of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption has been specified in Appendix 2-A. Should at that time activities be still outstanding which were foreseen in the plan and its subsequent revisions as per sub-paragraph 5(d), the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per Appendix 4-A (a), (b), (d) and (e) continue until the time of the completion if not specified by the Executive Committee otherwise.

15. All of the agreements set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

16. This updated Agreement supersedes the Agreement reached between the Government of the former Yugoslav Republic of Macedonia and the Executive Committee at the 60<sup>th</sup> meeting of the Executive Committee.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.8
HCFC-141b contained in imported pre-blended polyols			1.55
Total			3.35

**APPENDIX 2-A: THE TARGETS, AND FUNDING**

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	2.70	2.70	2.43	2.43	2.43	2.43	2.43	1.76	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	n/a	n/a	1.80	1.80	1.62	1.53	1.44	1.35	1.26	1.17	n/a
2.1	Lead IA (UNIDO) agreed funding (US \$)	15,000	107,000	294,955	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,166,955
2.2	Support costs for Lead IA (US \$)	1,125	8,025	22,122	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	87,522
3.1	Total agreed funding (US \$)	15,000	107,000	294,955	148,000	82,000	82,000	82,000	131,000	75,000	75,000	75,000	1,166,955
3.2	Total support cost	1,125	8,025	22,122	11,100	6,150	6,150	6,150	9,825	5,625	5,625	5,625	87,522
3.3	Total agreed costs (US \$)	16,125	115,025	317,077	159,100	88,150	88,150	88,150	140,825	80,625	80,625	80,625	1,254,477
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this agreement (ODP tonnes)												0.63
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)												0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)												1.17
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyol agreed to be achieved under this agreement (ODP tonnes)												1.55
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyol to be achieved in previously approved projects (ODP tonnes)												0
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyol (ODP tonnes)												0

**APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval not earlier than the second meeting of the year specified in Appendix 2-A.

#### **APPENDIX 4-A: FORMAT OF TRANCHE IMPLEMENTATION REPORT AND PLAN**

1. The submission of the Tranche Implementation Report and Plan will consist of five parts:
  - (a) A narrative report regarding the progress in the previous tranche, reflecting on the situation of the Country in regard to phase out of the substances, how the different activities contribute to it and how they relate to each other. The report should further highlight successes, experiences and challenges related to the different activities included in the plan, reflecting on changes in the circumstances in the country, and providing other relevant information. The report should also include information about and justification for any changes vis-à-vis the previously submitted tranche plan, such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information about activities in the current year;
  - (b) A verification report of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
  - (c) A written description of the activities to be undertaken in the next tranche, highlighting their interdependence and taking into account experiences made and progress achieved in the implementation of earlier tranches. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan foreseen. The description should cover the year specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain any revisions to the overall plan which were found to be necessary;
  - (d) A set of quantitative information for the report and plan, submitted online into a database, as per the relevant decisions of the Executive Committee in respect to the format required. This quantitative information, to be submitted by calendar year, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), and will cover the same time periods and activities; it will also capture the quantitative information regarding any necessary revisions of the overall plan as per sub-paragraph 1(c) above. While the quantitative information is required only for previous and future years, the format will include the option to submit in addition information regarding the current year if desired by the country and agency; and
  - (e) An Executive Summary of about five paragraphs, summarizing the information of above sub-paragraphs 1(a) to 1(d).



## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The NOU will submit annual progress reports of status of implementation of the HPMP to UNIDO.
2. Monitoring of development of HPMP and verification of the achievement of the performance targets, specified in the Plan, will be assigned to independent local company or to independent local consultants by UNIDO.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities to be specified in the project document as follows:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's phase-out plan;
  - (b) Assisting the Country in preparation of the tranche Implementation Plan and subsequent report as per Appendix 4-A;
  - (c) Providing verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the tranche Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future tranche implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the tranches and the overall plan as specified in Appendix 4-A as well as project completion reports for submission to the Executive Committee;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews undertaken by the Lead IA;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Tranche Implementation Plan and accurate data reporting;
  - (i) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (j) Providing assistance with policy, management and technical support when required.
2. After consultation with the country and taking into account any views expressed, the Lead IA will select and mandate an independent organization to carry out the verification of the HPMP results and the consumption of the substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

**APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$50,000 per ODP tonne of reductions in consumption not achieved in the year.

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### Annex XIII

#### **AGREEMENT BETWEEN THE GOVERNMENT OF ERITREA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Eritrea (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 0.07 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time, in the event that the baseline consumption for compliance is amended based on revised Article 7 data , with the funding to be adjusted accordingly, as per decision 60/44.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	0.1

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	0.1	0.1	0.09	0.09	0.09	0.09	0.09	0.07	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	0.1	0.1	0.09	0.09	0.09	0.09	0.09	0.07	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	40,000	0	0	0	27,000	0	0	0	17,500	84,500
2.2	Support costs for Lead IA (US \$)	5,200	0	0	0	3,510	0	0	0	2,275	10,985
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	40,000	0	0	0	40,000	0	0	0	0	80,000
2.4	Support costs for Cooperating IA (US \$)	3,600	0	0	0	3,600	0	0	0	0	7,200
3.1	Total agreed funding (US \$)	80,000	0	0	0	67,000	0	0	0	17,500	164,500
3.2	Total support costs (US \$)	8,800	0	0	0	7,110	0	0	0	2,275	18,185
3.3	Total agreed costs (US \$)	88,800	0	0	0	74,110	0	0	0	19,775	182,685
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										0.03
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										0.07

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

#### **APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS**

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes *vis-à-vis* the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. All the monitoring activities will be coordinated and managed through the National Ozone Unit (NOU) which is included within this HPMP.
2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the monitoring programmes for the different projects within the HPMP. The Lead IA, along with the Cooperating IA, will also undertake the challenging task of monitoring illegal ODS imports and exports, and advising the appropriate national agencies through the NOU.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
  - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (l) Providing assistance with policy, management and technical support when required.



2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

#### **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

#### **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

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## Annex XIV

### **AGREEMENT BETWEEN THE GOVERNMENT OF SOMALIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of Somalia (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 3.44 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3 and 4.2.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	5.29
HCFC-141b in imported pre-blended polyols			1.68
Total			6.97

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	45.08	45.08	40.57	40.57	40.57	40.57	40.57	29.30	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	5.29	5.29	4.76	4.76	4.76	4.76	4.76	3.44	n/a
2.1	Lead IA UNIDO agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000
2.2	Support costs for Lead IA (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050
3.1	Total agreed funding (US \$)	133,500	0	0	0	141,500	0	0	0	40,000	315,000
3.2	Total support costs (US \$)	9,345	0	0	0	9,905	0	0	0	2,800	22,050
3.3	Total agreed costs (US \$)	142,845	0	0	0	151,405	0	0	0	42,800	337,050
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										1.85
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										3.44
4.2.1	Total phase-out of HCFC-141b contained in imported pre-blended polyols agreed to be achieved under this Agreement (ODP tonnes)										0
4.2.2	Phase-out of HCFC-141b contained in imported pre-blended polyols to be achieved in previously approved projects (ODP tonnes)										0
4.2.3	Remaining eligible consumption for HCFC-141b contained in imported pre-blended polyols (ODP tonnes)										1.68

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

## APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The Ministry of Fisheries, Marine Resources and Environment (the Ministry) through the National Ozone Unit will be responsible for project monitoring and reporting with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the HCFCs recorded by relevant government departments.
3. The Ministry shall compile and report the following data and information on an annual basis on or before the relevant due dates:
  - (a) Annual reports on consumption of HCFCs by substance to be submitted to the Ozone Secretariat; and
  - (b) Annual report on progress of implementation of the HPMP to be submitted to the Executive Committee of the Multilateral Fund.
4. The Lead IA, in consultation with the Ministry, will contract an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation. The evaluating entity shall submit a consolidated report, with endorsement by the Ministry, to the Lead IA at the end of each annual implementation plan period. The report shall include the status of the Country's compliance with the provisions of this Agreement and will be submitted to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.

## **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;

- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

#### **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

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**Annex XV**

**AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the United Republic of Tanzania (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone-depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 1.11 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time, in the event that the baseline consumption for compliance is amended based on the revised Article 7 data, with the funding to be adjusted accordingly, as per decision 60/44.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in row 4.1.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;

- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report; and
- (c) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNEP has agreed to be the lead implementing agency (the “Lead IA”) and UNIDO has agreed to be the cooperating implementing agency (the “Cooperating IA”) under the lead of the Lead IA in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). This responsibility includes the necessity to co-ordinate with the Cooperating IA to ensure appropriate timing and sequence of activities in the implementation. The Cooperating IA will support the Lead IA by implementing the activities listed in Appendix 6-B under the overall co-ordination of the Lead IA. The Lead IA and Cooperating IA have reached consensus on the arrangements regarding inter-agency planning, reporting and responsibilities under this Agreement to facilitate a co-ordinated implementation of the Plan, including regular co-ordination meetings. The Executive Committee agrees, in principle, to provide the Lead IA and the Cooperating IA with the fees set out in rows 2.2 and 2.4 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	1.7

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	1.70	1.70	1.53	1.53	1.53	1.53	1.53	1.11	n/a
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	1.70	1.70	1.53	1.53	1.53	1.53	1.53	1.11	n/a
2.1	Lead IA (UNEP) agreed funding (US \$)	55,000	0	0	0	33,000	0	0	0	22,000	110,000
2.2	Support costs for Lead IA (US \$)	7,150	0	0	0	4,290	0	0	0	2,860	14,300
2.3	Cooperating IA (UNIDO) agreed funding (US \$)	50,000	0	0	0	50,000	0	0	0	0	100,000
2.4	Support costs for Cooperating IA (US \$)	4,500	0	0	0	4,500	0	0	0	0	9,000
3.1	Total agreed funding (US \$)	105,000	0	0	0	83,000	0	0	0	22,000	210,000
3.2	Total support costs (US \$)	11,650	0	0	0	8,790	0	0	0	2,860	23,300
3.3	Total agreed costs (US \$)	116,650	0	0	0	91,790	0	0	0	24,860	233,300
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										0.59
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										1.11

### APPENDIX 3-A: FUNDING APPROVAL SCHEDULE

1. Funding for the future tranches will be considered for approval at the first meeting of the year specified in Appendix 2-A.

### APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase

out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;

- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and
- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

## **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The national ozone unit (NOU) will be monitoring the implementation of the project activities and will prepare a quarterly progress report for the project. The monitoring programme will therefore ensure effectiveness of all the proposed projects within the HPMP through constant monitoring and periodic review of the performance of individual project. Independent verification will be conducted by a consultant arranged by the Lead IA.

2. The Lead IA will have a particularly prominent role in the monitoring arrangements because of its mandate to monitor ODS imports, whose records will be used as a crosschecking reference in all the

monitoring programmes for the different projects within the HPMP. The Lead IA, along with the Cooperating IA, will also undertake the challenging task of monitoring illegal ODS imports and exports, and advising the appropriate national agencies through the NOU.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;
  - (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee. The reporting requirements include the reporting about activities undertaken by the Cooperating IA;
  - (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
  - (g) Carrying out required supervision missions;
  - (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
  - (i) Co-ordinating the activities of the Cooperating IA, and ensuring appropriate sequence of activities;
  - (j) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country and the Cooperating IA, the allocation of the reductions to the different budget items and to the funding of each implementing or bilateral agency involved;
  - (k) Ensuring that disbursements made to the Country are based on the use of the indicators; and
  - (l) Providing assistance with policy, management and technical support when required.
2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

## **APPENDIX 6-B: ROLE OF THE COOPERATING IMPLEMENTING AGENCY**

1. The Cooperating IA will be responsible for a range of activities. These activities are specified in the overall plan, including at least the following:

- (a) Providing assistance for policy development when required;
- (b) Assisting the Country in the implementation and assessment of the activities funded by the Cooperating IA, and refer to the Lead IA to ensure a co-ordinated sequence in the activities; and
- (c) Providing reports to the Lead IA on these activities, for inclusion in the consolidated reports as per Appendix 4-A.

## **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$180 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

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## Annex XVI

### **AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA AND THE EXECUTIVE COMMITTEE OF THE MULTILATERAL FUND FOR THE REDUCTION IN CONSUMPTION OF HYDROCHLOROFLUOROCARBONS**

1. This Agreement represents the understanding of the Government of the Republic of South Africa (the “Country”) and the Executive Committee with respect to the reduction of controlled use of the ozone depleting substances (ODS) set out in Appendix 1-A (“The Substances”) to a sustained level of 240.31 ODP tonnes by 1 January 2020 in compliance with Montreal Protocol schedules, with the understanding that this figure is to be revised one single time, in the event that the baseline consumption for compliance is amended based on revised Article 7 data.
2. The Country agrees to meet the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A (“The Targets, and Funding”) in this Agreement as well as in the Montreal Protocol reduction schedule for all Substances mentioned in Appendix 1-A. The Country accepts that, by its acceptance of this Agreement and performance by the Executive Committee of its funding obligations described in paragraph 3, it is precluded from applying for or receiving further funding from the Multilateral Fund in respect to any consumption of the Substances that exceeds the level defined in row 1.2 of Appendix 2-A as the final reduction step under this Agreement for all of the Substances specified in Appendix 1-A, and in respect to any consumption of each of the Substances that exceeds the level defined in rows 4.1.3, 4.2.3, 4.3.3, 4.4.3 and 4.5.3 (remaining eligible consumption).
3. Subject to compliance by the Country with its obligations set out in this Agreement, the Executive Committee agrees, in principle, to provide the funding set out in row 3.1 of Appendix 2-A to the Country. The Executive Committee will, in principle, provide this funding at the Executive Committee meetings specified in Appendix 3-A (“Funding Approval Schedule”).
4. The Country agrees to implement this Agreement in accordance with the HCFC phase-out sector plans submitted. In accordance with sub-paragraph 5(b) of this Agreement, the Country will accept independent verification of the achievement of the annual consumption limits of the Substances as set out in row 1.2 of Appendix 2-A of this Agreement. The aforementioned verification will be commissioned by the relevant bilateral or implementing agency.
5. The Executive Committee will not provide the Funding in accordance with the Funding Approval Schedule unless the Country satisfies the following conditions at least eight weeks in advance of the applicable Executive Committee meeting set out in the Funding Approval Schedule:
  - (a) That the Country had met the Targets set out in row 1.2 of Appendix 2-A for all relevant years. Relevant years are all years since the year in which this Agreement was approved. Years for which no obligation for reporting of country programme data exists at the date of the Executive Committee meeting at which the funding request is being presented are exempted;
  - (b) That the meeting of these Targets has been independently verified, unless the Executive Committee decided that such verification would not be required;
  - (c) That the Country had submitted annual implementation reports in the form of Appendix 4-A (“Format of Implementation Reports and Plans”) covering each previous calendar year; that it had achieved a significant level of implementation of activities initiated with previously approved tranches; and that the rate of disbursement of funding available from the previously approved tranche was more than 20 per cent;



- (d) That the Country has submitted an annual implementation plan in the form of Appendix 4-A covering each calendar year until and including the year for which the funding schedule foresees the submission of the next tranche or, in case of the final tranche, until completion of all activities foreseen; and
- (e) That, for all submissions from the 68<sup>th</sup> meeting onwards, confirmation has been received from the Government that an enforceable national system of licensing and quotas for HCFC imports and, where applicable, production and exports is in place and that the system is capable of ensuring the Country's compliance with the Montreal Protocol HCFC phase-out schedule for the duration of this Agreement.

6. The Country will ensure that it conducts accurate monitoring of its activities under this Agreement. The institutions set out in Appendix 5-A (“Monitoring Institutions and Roles”) will monitor and report on implementation of the activities in the previous annual implementation plans in accordance with their roles and responsibilities set out in Appendix 5-A. This monitoring will also be subject to independent verification as described in paragraph 4 above.

7. The Executive Committee agrees that the Country may have the flexibility to reallocate the approved funds, or part of the funds, according to the evolving circumstances to achieve the smoothest reduction of consumption and phase-out of the Substances specified in Appendix 1-A:

- (a) Reallocations categorized as major changes must be documented in advance either in an annual implementation plan submitted as foreseen in sub-paragraph 5(d) above, or as a revision to an existing annual implementation plan to be submitted eight weeks prior to any meeting of the Executive Committee, for its approval. Major changes would relate to:
  - (i) Issues potentially concerning the rules and policies of the Multilateral Fund;
  - (ii) Changes which would modify any clause of this Agreement;
  - (iii) Changes in the annual levels of funding allocated to individual bilateral or implementing agencies for the different tranches; and
  - (iv) Provision of funding for programmes or activities not included in the current endorsed annual implementation plan, or removal of an activity in the annual implementation plan, with a cost greater than 30 per cent of the total cost of the last approved tranche;
- (b) Reallocations not categorized as major changes may be incorporated in the approved annual implementation plan, under implementation at the time, and reported to the Executive Committee in the subsequent annual implementation report;
- (c) Should the Country decide during implementation of the agreement to introduce an alternative technology other than that proposed in the approved HPMP, this would require approval by the Executive Committee as part of an Annual Implementation Plan or the revision of the approved plan. Any submission of such a request for change in technology would identify the associated incremental costs, the potential impact to the climate, and any differences in ODP tonnes to be phased out if applicable. The Country agrees that potential savings in incremental costs related to the change of technology would decrease the overall funding level under this Agreement accordingly;
- (d) Any enterprise to be converted to non-HCFC technology included in the approved HPMP and that would be found to be ineligible under the guidelines of the Multilateral Fund

(i.e., due to foreign ownership or establishment post the 21 September 2007 cut-off date), will not receive assistance. This information would be reported to the Executive Committee as part of the Annual Implementation Plan;

- (e) The Country commits to examining the possibility of using pre-blended hydrocarbon systems instead of blending them in-house, for those foam enterprises covered under the umbrella project, should this be technically viable, economically feasible and acceptable to the enterprises; and
- (f) Any remaining funds will be returned to the Multilateral Fund upon completion of the last tranche foreseen under this Agreement.

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

- (a) The Country would use the flexibility available under this Agreement to address specific needs that might arise during project implementation; and
- (b) The Country and the bilateral and implementing agencies involved will take full account of the requirements of decisions 41/100 and 49/6 during the implementation of the plan.

9. The Country agrees to assume overall responsibility for the management and implementation of this Agreement and of all activities undertaken by it or on its behalf to fulfil the obligations under this Agreement. UNIDO has agreed to be the lead implementing agency (the “Lead IA”) in respect of the Country’s activities under this Agreement. The Country agrees to evaluations, which might be carried out under the monitoring and evaluation work programmes of the Multilateral Fund or under the evaluation programme of any of the agencies taking part in this Agreement.

10. The Lead IA will be responsible for ensuring co-ordinated planning, implementation and reporting of all activities under this Agreement, including but not limited to independent verification as per sub-paragraph 5(b). The Executive Committee agrees, in principle, to provide the Lead IA with the fees set out in row 2.2 of Appendix 2-A.

11. Should the Country, for any reason, not meet the Targets for the elimination of the Substances set out in row 1.2 of Appendix 2-A or otherwise does not comply with this Agreement, then the Country agrees that it will not be entitled to the Funding in accordance with the Funding Approval Schedule. At the discretion of the Executive Committee, funding will be reinstated according to a revised Funding Approval Schedule determined by the Executive Committee after the Country has demonstrated that it has satisfied all of its obligations that were due to be met prior to receipt of the next tranche of funding under the Funding Approval Schedule. The Country acknowledges that the Executive Committee may reduce the amount of the Funding by the amount set out in Appendix 7-A (“Reductions in Funding for Failure to Comply”) in respect of each ODP kg of reductions in consumption not achieved in any one year. The Executive Committee will discuss each specific case in which the Country did not comply with this Agreement, and take related decisions. Once these decisions are taken, this specific case will not be an impediment for future tranches as per paragraph 5 above.

12. The Funding of this Agreement will not be modified on the basis of any future Executive Committee decision that may affect the funding of any other consumption sector projects or any other related activities in the Country.

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

14. The completion of stage I of the HPMP and the associated Agreement will take place at the end of the year following the last year for which a maximum allowable total consumption level has been specified in Appendix 2-A. Should there at that time still be activities that are outstanding, and which were foreseen in the Plan and its subsequent revisions as per sub-paragraph 5(d) and paragraph 7, the completion will be delayed until the end of the year following the implementation of the remaining activities. The reporting requirements as per sub-paragraphs 1(a), 1(b), 1(d), and 1(e) of Appendix 4-A will continue until the time of the completion unless otherwise specified by the Executive Committee.

15. All of the conditions set out in this Agreement are undertaken solely within the context of the Montreal Protocol and as specified in this Agreement. All terms used in this Agreement have the meaning ascribed to them in the Montreal Protocol unless otherwise defined herein.

## APPENDICES

### APPENDIX 1-A: THE SUBSTANCES

Substance	Annex	Group	Starting point for aggregate reductions in consumption (ODP tonnes)
HCFC-22	C	I	210.9
HCFC-123	C	I	0.3
HCFC-124	C	I	-0.7
HCFC-141b	C	I	160.0
HCFC-142b	C	I	-0.8
<b>Total</b>			<b>369.7</b>

### APPENDIX 2-A: THE TARGETS, AND FUNDING

Row	Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
1.1	Montreal Protocol reduction schedule of Annex C, Group I substances (ODP tonnes)	n/a	369.70	369.70	332.73	332.73	332.73	332.73	332.73	240.31	
1.2	Maximum allowable total consumption of Annex C, Group I substances (ODP tonnes)	n/a	369.70	369.70	332.73	332.73	332.73	270.20	270.20	240.31	
2.1	Lead IA UNIDO agreed funding (US \$)	1,960,229	2,592,620	0	1,302,335	499,612	0	178,760	0	0	6,533,556
2.2	Support costs for Lead IA (US \$)	137,216	181,483	0	91,164	34,973	0	12,513	0	0	457,349
3.1	Total agreed funding (US \$)	1,960,229	2,592,620	0	1,302,335	499,612	0	178,760	0	0	6,533,556
3.2	Total support costs (US \$)	137,216	181,483	0	91,164	34,973	0	12,513	0	0	457,349
3.3	Total agreed costs (US \$)	2,097,445	2,774,103	0	1,393,499	534,585	0	191,273	0	0	6,990,905
4.1.1	Total phase-out of HCFC-22 agreed to be achieved under this Agreement (ODP tonnes)										16.72
4.1.2	Phase-out of HCFC-22 to be achieved in previously approved projects (ODP tonnes)										0
4.1.3	Remaining eligible consumption for HCFC-22 (ODP tonnes)										194.18
4.2.1	Total phase-out of HCFC-141b agreed to be achieved under this Agreement (ODP tonnes)										160.00
4.2.2	Phase-out of HCFC-141b to be achieved in previously approved projects (ODP tonnes)										0
4.2.3	Remaining eligible consumption for HCFC-141b (ODP tonnes)										0
4.3.1	Total phase-out of HCFC-123 agreed to be achieved under this agreement (ODP tonnes)										0
4.3.2	Phase-out of HCFC-123 to be achieved in previously approved projects (ODP tonnes)										0
4.3.3	Remaining eligible consumption for HCFC-123 (ODP tonnes)										0.26
4.4.1	Total phase-out of HCFC-124 agreed to be achieved under this agreement (ODP tonnes)										0
4.4.2	Phase-out of HCFC-124 to be achieved in previously approved projects (ODP tonnes)										0
4.4.3	Remaining eligible consumption for HCFC-124 (ODP tonnes)										-0.68
4.5.1	Total phase-out of HCFC-142b agreed to be achieved under this Agreement (ODP tonnes)										0
4.5.2	Phase-out of HCFC-142b to be achieved in previously approved projects (ODP tonnes)										0
4.5.3	Remaining eligible consumption for HCFC-142b (ODP tonnes)										-0.84

### **APPENDIX 3-A: FUNDING APPROVAL SCHEDULE**

1. Funding for the future tranches will be considered for approval at the second meeting of the year specified in Appendix 2-A.

### **APPENDIX 4-A: FORMAT OF IMPLEMENTATION REPORTS AND PLANS**

1. The submission of the Implementation Report and Plan for each tranche request will consist of five parts:

- (a) A narrative report, with data provided by calendar year, regarding the progress since the year prior to the previous report, reflecting the situation of the Country in regard to phase out of the Substances, how the different activities contribute to it, and how they relate to each other. The report should include ODS phase-out as a direct result from the implementation of activities, by substance, and the alternative technology used and the related phase-in of alternatives, to allow the Secretariat to provide to the Executive Committee information about the resulting change in climate relevant emissions. The report should further highlight successes, experiences, and challenges related to the different activities included in the Plan, reflecting any changes in the circumstances in the Country, and providing other relevant information. The report should also include information on and justification for any changes vis-à-vis the previously submitted Annual Implementation Plan(s), such as delays, uses of the flexibility for reallocation of funds during implementation of a tranche, as provided for in paragraph 7 of this Agreement, or other changes. The narrative report will cover all relevant years specified in sub-paragraph 5(a) of the Agreement and can in addition also include information on activities in the current year;
- (b) A verification report of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement. If not decided otherwise by the Executive Committee, such a verification has to be provided together with each tranche request and will have to provide verification of the consumption for all relevant years as specified in sub-paragraph 5(a) of the Agreement for which a verification report has not yet been acknowledged by the Committee;
- (c) A written description of the activities to be undertaken until and including the year of the planned submission of the next tranche request, highlighting the interdependence of the activities, and taking into account experiences made and progress achieved in the implementation of earlier tranches; the data in the plan will be provided by calendar year. The description should also include a reference to the overall plan and progress achieved, as well as any possible changes to the overall plan that are foreseen. The description should cover the years specified in sub-paragraph 5(d) of the Agreement. The description should also specify and explain in detail such changes to the overall plan. This description of future activities can be submitted as a part of the same document as the narrative report under sub-paragraph (b) above;
- (d) A set of quantitative information for all annual implementation reports and annual implementation plans, submitted through an online database. This quantitative information, to be submitted by calendar year with each tranche request, will be amending the narratives and description for the report (see sub-paragraph 1(a) above) and the plan (see sub-paragraph 1(c) above), the annual implementation plan and any changes to the overall plan, and will cover the same time periods and activities; and

- (e) An Executive Summary of about five paragraphs, summarizing the information of the above sub-paragraphs 1(a) to 1(d).

#### **APPENDIX 5-A: MONITORING INSTITUTIONS AND ROLES**

1. The monitoring process will be managed by the Department of Environmental Affairs (DEA) through the Ozone Protection Section with the assistance of the Lead IA.
2. The consumption will be monitored and determined based on official import and export data for the substances recorded by relevant Government departments.
3. The DEA shall compile and report the following data and information on an annual basis on or before the relevant due dates: (a) annual reports on consumption of the substances to be submitted to the Ozone Secretariat; and (b) annual reports on progress of implementation of HPMP to be submitted to the Executive Committee of the Multilateral Fund;
4. The DEA and the Lead IA will engage an independent and qualified entity to carry out a qualitative and quantitative performance evaluation of the HPMP implementation.
5. The evaluating entity shall have full access to relevant technical and financial information related to implementation of the HPMP.
6. The evaluating entity shall prepare and submit to the DEA and the Lead IA, a consolidated draft report at the end of each annual implementation plan, comprising of the findings of the evaluation and recommendations for improvements or adjustments, if any. The draft report shall include the status of the Country's compliance with the provisions of this Agreement.
7. Upon incorporating the comments and explanations as may be applicable, from the DEA and Lead IA, the evaluating entity shall finalize the report and submit to the DEA and Lead IA.
8. The DEA shall endorse the final report and the Lead IA shall submit the same to the relevant meeting of the Executive Committee along with the annual implementation plan and reports.

#### **APPENDIX 6-A: ROLE OF THE LEAD IMPLEMENTING AGENCY**

1. The Lead IA will be responsible for a range of activities, including at least the following:
  - (a) Ensuring performance and financial verification in accordance with this Agreement and with its specific internal procedures and requirements as set out in the Country's HPMP;
  - (b) Assisting the Country in preparation of the Implementation Plans and subsequent reports as per Appendix 4-A;
  - (c) Providing independent verification to the Executive Committee that the Targets have been met and associated annual activities have been completed as indicated in the Implementation Plan consistent with Appendix 4-A;
  - (d) Ensuring that the experiences and progress is reflected in updates of the overall plan and in future annual implementation plans consistent with sub-paragraphs 1(c) and 1(d) of Appendix 4-A;

- (e) Fulfilling the reporting requirements for the annual implementation reports, annual implementation plans and the overall plan as specified in Appendix 4-A for submission to the Executive Committee;
- (f) Ensuring that appropriate independent technical experts carry out the technical reviews;
- (g) Carrying out required supervision missions;
- (h) Ensuring the presence of an operating mechanism to allow effective, transparent implementation of the Implementation Plan and accurate data reporting;
- (i) In case of reductions in funding for failure to comply in accordance with paragraph 11 of the Agreement, to determine, in consultation with the Country, the allocation of the reductions to the different budget;
- (j) Ensuring that disbursements made to the Country are based on the use of the indicators; and
- (k) Providing assistance with policy, management and technical support when required.

2. After consultation with the Country and taking into account any views expressed, the Lead IA will select and mandate an independent entity to carry out the verification of the HPMP results and the consumption of the Substances mentioned in Appendix 1-A, as per sub-paragraph 5(b) of the Agreement and sub-paragraph 1(b) of Appendix 4-A.

#### **APPENDIX 7-A: REDUCTIONS IN FUNDING FOR FAILURE TO COMPLY**

1. In accordance with paragraph 11 of the Agreement, the amount of funding provided may be reduced by US \$131.3 per ODP kg of consumption beyond the level defined in row 1.2 of Appendix 2-A for each year in which the target specified in row 1.2 of Appendix 2-A has not been met.

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