



**United Nations
Environment
Programme**

Distr.
GENERAL

UNEP/OzL.Pro/ExCom/81/1/Add.2
12 June 2018

ORIGINAL: ENGLISH

EXECUTIVE COMMITTEE OF
THE MULTILATERAL FUND FOR THE
IMPLEMENTATION OF THE MONTREAL PROTOCOL
Eighty-first Meeting
Montreal, 18-22 June 2018

Addendum

ANNOTATED PROVISIONAL AGENDA

Under agenda item 9(e), Investment projects, the Executive Committee will consider the second tranches of the room air-conditioning sector plan and the refrigeration servicing sector plan of stage II of the HCFC phase-out management plan (HPMP) for China contained in the document Project proposals: China (UNEP/OzL.Pro/ExCom/81/29). In addition, the Executive Committee will have to consider the following matters relating to stage II of the HPMP for China: agency support costs; revision of the Agreement for stage II of the HPMP; and, the draft financial reporting format for annual project management unit (PMU) expenditures, which are also presented in document UNEP/OzL.Pro/ExCom/81/29.

This document is being issued to facilitate the Executive Committee's consideration of all matters related to the stage II of the HPMP for China under agenda item 9(e).

9. Project proposals

(e) Investment projects

China: HCFC phase-out management plan (stage II, second tranche) (UNDP, UNIDO, the World Bank, Government of Germany, Government of Italy, and Government of Japan)

Agency support costs

Paragraphs 81 to 85 of document UNEP/OzL.Pro/ExCom/81/29 present the issue of the level of the agency support costs for UNDP, UNIDO and the World Bank associated with the second and subsequent tranches of the relevant sector plans of stage II of the HPMP, in light of decision 79/35(b).

Issues to be addressed:

- Whether to reconsider the level of the agency support costs for UNDP, UNIDO and the World Bank associated with the second and subsequent tranches of the relevant sector plans of stage II of the HPMP, in light of decision 79/35(b).

The Executive Committee may wish to reconsider the level of the agency support costs for UNDP, UNIDO and the World Bank associated with the second and future tranches of the following sector plans of stage II of the HPMP for China: Extruded polystyrene (XPS) foam, industrial and commercial refrigeration (ICR), and solvent approved at the 80th meeting; refrigeration and air-conditioning (RAC) submitted to the 81st meeting; and the polyurethane (PU) foam to be submitted to the 82nd meeting.

Revision of the Agreement for stage II of the HPMP for China

Paragraphs 87 to 88 of document UNEP/OzL.Pro/ExCom/81/29 address the potential need to revise the Agreement for stage II of the HPMP for China to include the adjusted level of the agency support costs that the Executive Committee might decide at the 81st meeting and the potential for changes in the overall distribution of funding for the stage II of the HPMP.

Issues to be addressed:

- Whether to consider any potential revision of the Agreement for stage II of the HPMP at the 81st meeting to:
 - Include the adjusted level of the agency support costs that the Executive Committee might decide at the 81st meeting
 - Introduce potential changes in the distribution of funding tranches associated with the PU foam, RAC and servicing sector plans of stage II of the HPMP
- To request the Secretariat to revise the Agreement for stage II of the HPMP and submit it to the 82nd meeting, taking into consideration the decisions taken by the Executive Committee at the 81st meeting

The Executive Committee may wish to consider requesting the Secretariat to revise the Agreement between the Government of China and the Executive Committee of stage II of the HCFC phase-out management plan for China, in light of the discussions at the 81st meeting, for submission to the 82nd meeting.

Draft financial reporting format for annual project management unit expenditures for China HPMP and China HCFC production sector phase-out management plan (HPPMP)

Paragraphs 136 to 159 of document UNEP/OzL.Pro/ExCom/81/29 describe the PMU for HCFC phase-out activities in China in the context of stage I and II of the HPMP, and stage I of the HPPMP. In response to decision 80/80 it presents the draft financial reporting format for annual PMU expenditures for the HPMP and HPPMP.

Issues to be addressed:

- The financial reporting format to be used by sector lead implementing agencies
- Whether agreements between the lead implementing agency for the respective sector plans and the Government of China should be revised to include detailed reporting on PMU activities
- Reporting of the PMU work plan in future tranche submissions

The Executive Committee may wish to:

- (a) Note the document on the draft financial reporting format for annual project management unit (PMU) expenditures for the HCFC phase-out management plan (HPMP) and HCFC production phase-out management plan (HPPMP) for China contained in document UNEP/OzL.Pro/ExCom/81/29; and
- (b) Request the sector lead implementing agencies to use the financial reporting format for the PMU expenditures contained in Annex I of document UNEP/OzL.Pro/ExCom/81/29 in their annual tranche progress reports;

OR

Request the sector lead implementing agencies to use the financial reporting format for the PMU expenditures contained in Table 3 of document UNEP/OzL.Pro/ExCom/81/29 (under the document on draft financial reporting format for annual PMU expenditures for the HPMP and HPPMP for China) in annual progress reports until the completion of the HPMP and HPPMP;

- (c) Request the implementing agencies to consider whether there is a need to amend their respective agreements with the Government of China with a view to ensure that the financial reporting on PMU expenditures is sufficiently detailed to satisfy their respective financial reporting requirements to the Executive Committee; and
- (d) Request the sector lead implementing agencies to provide as part of future tranche submissions a work plan that describes the PMU activities to be undertaken with allocated budget by activity in the respective sector.
